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East Europe

FBIS-EEU-95-043
Monday
6 March 1995

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East Europe

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Ukrainians Propose 'Consultations' in Kiev

AU0403170295 Tirana Radio Tirana Network in Albanian 1430 GMT 4 Mar 95

[FBIS Translated Text] Ukrainian and Albanian diplomats are working to institutionalize contacts between the foreign ministries of the two countries.

The Ukrainian Foreign Ministry has proposed to the Albanian Foreign Ministry that the two countries conduct consultations at at the level of experts in Kiev during March-April.

Official sources confirm that the topic of these consultations will be discussing areas of cooperation between the two countries, as well as a protocol to institutionalize contacts between the two foreign ministries. In this framework, experts are expected to discuss the preparations for a meeting between the Ukrainian and Albanian foreign ministers.

Berisha Calls For PD Leader Selami To Resign

AU0503203095 Paris AFP in English 2000 GMT 5 Mar 95

[FBIS Transcribed Text] Tirana, March 5 (AFP)—President Sali Berisha called Sunday [5 March] on the leader of Albania's governing party to resign amid a bitter row between the two men over the country's new draft constitution, ruling party sources said. Berisha's call for Eduard Selami, who heads the Democratic Party [PD], to quit came during an extraordinary conference of the party's executive, the sources said.

Berisha denounced Selami's proposal that the new constitution should be put to a parliamentary vote as "inspired by the Marxism-Leninism" of Albania's former communist opposition Socialist party. The resignation call was backed by Prime Minister Alexander Meksi, parliamentary speaker Pjetr Arbnori, and Democratic Party secretary general Tritan Shehu, who described Selami's suggestion as a "leftist deviation."

Albanian voters rejected the initial draft, which sought to update the country's Stalinist-era basic laws, in a referendum last November.

Selami, who defended the proposal as a bid to consolidate his party's weakened authority, also said he considered the draft conferred excessive powers on the head of state—a view shared by the opposition.

Berisha reaffirmed his intention to submit a revised version of the draft constitution to voters at a date yet to be arranged.

Albanians Leaving Kosovo via Tivar-Bari Ferry

95P20565A Skopje FLAKA E VELLAZERIMIT in Albanian 16 Feb 95 p 6

[Article by Nail Draga: "News From Montenegro—Kosovars Are Emigrating Through the Port of Tivar"]

[FBIS Translated Excerpt] It is a silent exodus that has taken on frightening dimensions. These days, Tivar has become the busiest seaport. [passage omitted]

As a result of the easing of economic sanctions by the international community, the Tivar-Bari ferry began to operate on 23 October 1994, supposedly for the transport of passengers. At first this line was not very busy, because the difficult economic situation of the population in Montenegro did not permit travel as in better times. In the beginning there were various merchants and businessmen, but later this situation changed noticeably.

Since no entry visas are needed for Italy, a large number of "tourists," most of them from Kosovo, began to invade. [passage omitted]

The ferries are supermodern ships from the Scandinavian countries ("Liburnum," "La Vikinga," etc.), each carrying more than 500 passengers. The interest in "visiting" Italy is increasing considerably and the entrepreneurs in this business have made considerable profit. Even though the tickets are DM160 round trip, there have not been any vacant seats so far. They even say that one ship was overloaded with 1,000 people! These images are reminiscent of the 1990 exodus of Albanians through the port of Durres to Italy.

These unfortunate passengers, Albanians from Kosovo, are, for the most part, young, but there are also older people and entire families whose aim is to emigrate to Italy temporarily and then to other countries in West Europe. According to some reports, the destination of the emigres was supposed to be Switzerland, Germany or Belgium. So far, the Italian authorities in the port of Bari and elsewhere have sent a number of families back to Tivar because they lacked the proper documents—but these families headed for Italy again after a few days.

During the past two months, 30,600 people left for Bari from the port of Tivar. Some 90 percent of them were from Kosovo and 80 percent of them did not return to where they came from. Thus, after 50 years, Tivar has become a destination for Albanians, for the first time since the collective massacre (1 April 1945). This time it is a point for separation and emigration.

Montenegrin Albanians Meet PD Officials

95P20566A Skopje FLAKA E VELLAZERIMIT in Albanian 16 Feb 95 p 6

[Article by Nail Draga: "UDSh Delegation Visits Albania"]

[FBIS Translated Text] From 26 to 29 January, a delegation from the UDSh [Democratic Alliance of Albanians in Montenegro] headed by UDSh chairman Bajram Rexha, deputy chairman Fuad Nimani, and Ragip Bushati, chairman of the Ulqinj branch of the party, visited several cities in Albania. The first meeting, organized by the Democratic Party [PD] of Albania, was in Tirana where they were received by PD deputy chairman Tomor Dosti. The UDSh delegation informed Mr. Dosti on the political situation in the Albanian region in Montenegro and on the many problems that exist in education, health, culture, employment and other areas.

They also gave him a briefing on this new party, on the goals of its activity—which aims to achieve a democratic union of forces against any diabolical plan that seeks to cause damage to the people and to democracy. They said this party was created as a necessity of the times, to bring together the Albanian political forces in these regions as an opposition to the current government in Montenegro.

Mr. Dosti told the UDSh delegation about successes achieved in various fields [in Albania] and also about current problems inherited from the past. He also talked about, among other things, support for Albanian democratic forces in the former Yugoslavia.

At the request of the UDSh delegation, meetings were held with PD branches in Elbasan, Durres and Shkoder. It should be noted that this was the first visit of a delegation from this party to Albania.

ROK President Kim Yong-sam Arrives in Prague

SK0403134895 Seoul KBS-1 Television Network in Korean 1200 GMT 4 Mar 95

[FBIS Translated Excerpt] After winding up a visit to France, President Kim Yong-sam arrived in the Czech Republic this evening, the second country on his itinerary. It is sleeting in the Czech Republic. Sin Song-pom reports from Prague:

[Begin Sin recording] President Kim Yong-sam is the first ROK president to visit the Czech Republic. At 1900 Korean standard time [1000 GMT], President Kim arrived at the Ruzyne government airport in Prague, setting off his two-day official schedule in the Czech Republic. President Kim Yong-sam was received by Czech Foreign Minister Zieleniec and relevant Czech Government officials and welcomed by some 50 Korean residents at the airport. After a brief welcoming ceremony at the airport, President Kim passed through Prague, a city full of ancient buildings, and arrived at the state guest house. The state guest house where President Kim Yong-sam is staying is a baroque house with Liechtenstein influence, built in the 17th century.

After attending the official welcoming ceremony to be held at the Presidential Palace in about two hours, President Kim Yong-sam will hold summit talks with Czech President Havel. President Kim Yong- sam will conclude his first day in the Czech Republic with a dinner reception hosted by President Havel at Prague Palace.

Before the visit, President Kim gave a special interview with state-run (Ceska) Television and said he is prepared to provide North Korea, which is in a very difficult situation, with economic cooperation. President Kim said that he is confident the Korean Peninsula will be reunified in the near future. He predicted that there is little possibility that North Korea will invade the South, but North Korea's closed policy will continue. [end recording]

Has Summit Meeting With Havel

SK0403135295 Seoul YONHAP in English 1334 GMT 4 Mar 95

[FBIS Transcribed Text] Prague, March 4 (YONHAP)—South Korean President Kim Yong-sam and his Czech counterpart Vaclav Havel held a summit Saturday afternoon and agreed that the two countries will make efforts for South Korean businesses' positive participation in privatizing Czech's state-run corporations.

During the summit held at the Presidential Palace here, they agreed that South Korea will take part in privatization of Czech's state-run truck manufacturing company and that the Korea Telecom of South Korea will participate in the optical cable network project of the European country.

President Havel stated that Czech will not spare its cooperation for South Korea's investments in his country and urged the South Korean Government and businesses to have positive interests so that the experiences and technology of South Korea's economic development could be transferred to Czech.

The leaders also agreed that their countries expand bilateral trade and investment and seek joint advancement into third countries taking the advantage of the effectuation of their agreements on investment guarantee and double taxation avoidance.

The two countries also concluded the science and technology agreement on the occasion of President Kim's visit to Czech.

The two leaders agreed to concert their efforts to help improve the human rights situation in North Korea.

They also reached an accord on the need to cooperate closely with each other in matters concerning the North Korean nuclear issue, South Korea's bid to become a non-permanent member of the U.N. Security Council, and their countries' bid to join the Organization for Economic Cooperation and Development.

The Czech leader confirmed by writing its willingness to support Seoul's bid to join the UN Security Council.

President Kim pledged to support a Korean studies conference slated for next month here with some 150 scholars from 20 European countries attending.

The two leaders said in a joint press conference that they would make efforts to accelerate the pace of bilateral exchanges in various fields.

President Kim will meet with Czech Prime Minister Vaclav Klaus Sunday and embark on a four-day visit to Germany.

Agreement in Atomic Area

SK0503090495 Seoul YONHAP in English 0851 GMT 5 Mar 95

[FBIS Transcribed Text] Prague, March 5 (YONHAP)—South Korean President Kim Yong-sam had talks on Sunday with Czech Prime Minister Vaclav Klaus to reaffirm Saturday's agreement between Kim and Czech President Vaclav Havel.

Prime Minister Klaus clarified again the Czech position that the East European country will actively support South Korea's bid to become a non-permanent member of the United Nations Security Council.

At the luncheon hosted by Prime Minister Klaus, President Kim said, "Judging from the mutually complementary nature of our two economies and the active interaction between our business sectors, I am confident that bilateral economic cooperation will continue to expand in the future."

Meanwhile, South Korea and Czech agreed Sunday to conclude an agreement on bilateral cooperation in the atomic energy field.

The two governments agreed in principle that they will sign the agreement in an early date and exchanged letters of intention for the agreement.

According to the letters of intention, the two countries will push for the conclusion of the atomic energy cooperation agreement as well as of the agreement on cooperation between atomic energy research institutes of the two nations.

The two nations will also push ahead with cooperation through exchanges of scientific and technological manpower, joint research on the atomic energy and exchange of information.

The exchange of letters of intention paved the way for South Korean atomic energy industry's advancement into East Europe, a South Korean official explained.

Following the exchange of letters of intention between the governments, the Korea Atomic Energy Research Institute (KAERI) and Czech's nuclear research institute exchanged memoranda of understanding for bilateral cooperation.

More on Summit Meeting

SK0503022295 Seoul THE KOREA HERALD in English 5 Mar 95 pp 1, 5

[By THE KOREA HERALD correspondent Chon Si-yong]

[FBIS Transcribed Text] PRAGUE—Czech President Vaclav Havel offered a full commitment Saturday that his country will stand behind South Korea on the resolution of the North Korean issue and other international affairs.

President Havel also pledged that the Czech Republic will support South Korean participation in the privatization of his country's public corporations.

Korean officials said President Kim Yong-sam and the Czech president made these and other agreements during their summit talks held at the President Palace here.

"President Kim and President Havel both recognized friendly relations between South Korea and the Czech Republic and agreed to maintain closer cooperation on the world stage," said Yu Chong-ha, senior presidential secretary for foreign affairs and national security.

The Czech president reconfirmed that Prague will support the South Korean bid for a nonpermanent seat at the U.N. Security Council.

Yu said that the two leaders also shared the view that a faithful implementation of the U.S.-North Korea nuclear agreement is essential for obstructing the North's nuclear weapons program.

Havel reaffirmed that the Czech Republic supports inter-Korean dialogue and will cooperate in the international efforts to select a South Korean model for the construction of light-water nuclear reactors in North Korea, Yu said.

President Kim, in a brief post-summit news conference, said that he explained the Seoul government's efforts to improve inter-Korean relations, including the resolution of the North Korean nuclear issue, and also the human rights situation in the North.

"President Havel regarded our efforts highly and pledged to give active support to the Republic of Korea," Kim said.

Former Czechoslovakia which split into the Czech Republic and Slovakia and January 1993, held closer relations with North Korea than with South Korea.

But relations between Prague and Pyongyang have turned sour since North Korea refused to allow the Czech Republic to succeed former Czechoslovakia as a member of the Neutral Nations Supervisory Commission (NNSC), which oversees the Korean armistice.

It led the Czech Republic to withdraw its entire embassy staff in Pyongyang in March, 1993 and expel 13 of the 16 North Korean Embassy staff in Prague one month later in time for its departure from the NNSC.

President Kim, during the press conference, said that South Korea wants to develop more substantial cooperative relations with the Czech Republic on the strength of this friendly relationship between the two countries.

"We will continue to cooperate closely in various fields—politics, economics, civic affairs and culture—and maintain a close partnership," he said.

Yu, the presidential secretary, said that Seoul and Prague decided to have two major bilateral pacts investment in his country.

South Korea and the Czech Republic concluded the two accords, one for promoting and guaranteeing investment and the other for avoiding double taxation, in April, 1992, but they were not put to force pending the completion of their domestic legal procedures.

Seoul and Prague concluded Saturday an agreement on scientific and technological cooperation.

Yu said president Kim expressed his hope that South Korean businesses will play a greater role in the privatization of Czech public corporations.

President Havel gave his commitment that his country will make every effort to support South Korean investment in his country.

This agreement is expected to pave the way for South Korean businesses to take part in, among others, the privatization of a truck manufacturing corporation and the construction of an optical fiber network in the Czech Republic, Korean officials said.

The officials said the Kim-Havel summit meeting laid ground for South Korea to take advantage of a strong partnership with the Czech Republic in expanding its interaction with Central and Eastern European countries.

"We laid firm groundwork for turning relations between South Korea and the Czech Republic into bridges linking Asia with this part of Europe," Yu said.

President Kim, who came here from Paris on the second leg of his six-nation European tour, will hold a meeting with Czech Prime, Minister Vaclav Klaus before leaving for Bonn Sunday for a three-day visit to Germany.

Civic Democratic Alliance Elects Leadership

LD0503134995 Prague Radiozurnal Radio Network in Czech 1300 GMT 5 Mar 95

[FBIS Translated Text] Jan Kalvoda was reelected chairman of the Civic Democratic Alliance [ODA] at the ODA national conference in Hradec Kralove today.

Of five candidates for ODA deputy chairmen, the following were elected: Vladimir Dlouhy, Pavel Bratinka, and Jiri Skalicky .

According to Dlouhy, ODA perceives support for economic growth as the priority in the sphere of economy. An ongoing liberalization of economic life, elimination of the deformations of the legal and tax system, and an active state economic policy were described by him as the main instruments for supporting economic growth.

Strong Economy May Result in Koruna Revaluation

95CH0139C Prague PRAGUE POST in English 25-31 Jan 95 p 10

[Article by Dean Calbreath: "Crown's Value May Take Off in 1995"]

[FBIS Transcribed Text] As the Mexican economy hurdles into a tailspin because of the revaluation of the peso, rumors are mounting that the Czech Republic may soon enact a revaluation of its own—although for reasons entirely different than Mexico's.

The "problem" in the Czech Republic is that the economy here is too good rather than too bad, meaning that the crown is worth much more than its stated value.

Financial analysts say that the gap between the crown's current worth and its true value means that a revaluation is inevitable. But officials at the Finance Ministry and the Czech National Bank (CNB) deny that any change is in the offing.

"We don't plan to change the exchange rate in the near future, meaning anywhere from six months to a year," said CNB spokesman Ondrej Kracek.

The value of the crown is currently set at between 35 percent of the U.S. dollar and 65 percent of the German mark. The crown can fluctuate within 0.5 percent of that rate.

But that value, artificially established by Prime Minister Vaclav Klaus' administration, has little relation to the crown's buying power. In fact, economic analysts view the crown as the most undervalued currency in Europe. A report last month by Japan's Nomura Securities says that in terms of its purchasing power, the crown should be worth about 10 or 11 to the dollar, compared to its current value of around 27 to the dollar.

Few analysts believe that the crown will be pegged to its purchasing power any time soon. But an increasing number are speculating that the government will soon boost the range that the crown can fluctuate from 0.5 percent to at least 2 percent, and perhaps as high as 4 percent.

Nomura Securities last month suggested that the crown will be revalued by 5 to 10 percent in the first half of 1995, with a possible follow-up revaluation later in the year. And early this month, THE FINANCIAL TIMES cited unnamed economic analysts who suggested that the crown's rate of fluctuation may soon be changed to 2 percent.

Pavel Putz, a member of the board at the Eastbrokers stock brokerage, said his firm believes that the crown will soon be revalued by 10 to 20 percent.

Such rumors have some basis in fact. CNB Governor Josef Tosovsky last month asked Klaus to boost the 0.5 percent fluctuation, but the prime minister refused, since the low rates help fuel the export-driven economy by keeping Czech prices low.

There are dangers in keeping the rate too low. For instance, a growing number of foreign speculators are buying up Czech crowns in the hope that the value will soon shoot up. The influx of capital could fuel inflation.

"We have had some troubles with investors from foreign countries," CNB spokesman Kvacek said. "There is a danger of inflation. The money supply can grow more than planned."

But Kvacek added that even though there has been "some speculation" as to whether the bank will change the exchange rate, the differing rates of inflation between Western countries and the Czech Republic have taken the wind out of the sails of a push for any massive revaluation.

"If you notice last year, we had an inflation rate of about 10 percent, whereas the German and U.S. economies had inflation of about 4 percent," Kvacek said. "So in effect, the Czech crown has already undergone some (revaluation) just because of the difference in inflation."

Irregular Ore Deliveries Affect Steel Production

95CH0139B Prague PRAGUE POST in English 25-31 Jan 95 p 6

[Article by Brendan McNally: "Central European Steelmakers Hit by Instability of Ukrainian Mining"]

[FBIS Transcribed Text] The deterioration of the electrical supply grid in Ukraine's mineral-rich Krivoi Rog region is severely hurting the country's ability to mine, process and ship iron ore. As a result, Czech, Slovak and

Polish steelmakers, which have long depended almost exclusively on Ukrainian ore, are now considering alternate sources of supply.

They have even begun exploring the possibility of cooperating to find solutions, and according to some reports, might form a supply consortium.

Last week, Central European steelmakers met in Ostrava, north Moravia, to consult with each other on their common problem. "We just consulted," said Zdenek Bohm, president of the Steel Federation, a trade organization representing Czech and Slovak steelmakers. Bohm insisted that no specific decisions were made. "We discussed possibilities. Our Polish colleagues could supply ore through Poland, coming in through ports such as Gdynia or Stettin. There are problems, though, because for that to really work, the harbors would have to be modernized in order to handle the larger ore ships."

With steel a bulwark of the Czech, Slovak and Polish economies, none can afford the economic battering that would result from any supply disruption. Central European steelmakers prefer Ukrainian ore, Bohm said, "because of its very positive price. Sure, it's not as good as Brazilian ore, but we know how to work with it. But because of the unstable supply, we don't want to be supplied from only one source."

The steelmakers are interested in lining up alternate suppliers in order to have a strategic reserve when the Ukrainian supply runs low.

Supply disruptions are keenly felt at the East Slovak Ironworks (VSZ) in Kosice. Despite being relatively close to Ukraine, the mill is being forced to turn to distant, costlier sources. "VSZ cannot be dependent on (Ukraine) any longer," plant official Peter Hrinko declared earlier this month. He announced that the plant was buying 300,000 tons of ore from South Africa "to keep from shutting down."

VSZ officials acknowledge that buying South African iron ore represents only a stopgap—and costly—solution. The company, they say, will try to work out a solution when discussions are held with Ukrainian economic ministers later this month. "The situation with Ukrainian mining is critical," said Vladimir Balanik, VSZ's commercial manager. "We insist on regular deliveries."

The inability of Ukrainian mines to guarantee regular ore deliveries also raises serious concerns about one of VSZ's biggest ventures—involvement in a $200 million, 10-year project to develop a giant ore mining and processing combine at Dolinskaya, Ukraine. VSZ took over the former Czechoslovak government's stake in the project in 1992, and will need to invest over 7 billion Sk (about $233 million). VSZ had expected to be paid back by deliveries of semi-processed iron ore. Now this is being jeopardized by the problems in Krivoi Rog.

Built in the late 1950s, primarily to provide steel for Slovakia's massive tank factories, VSZ has fared surprisingly well despite the evaporation of the defense industries. Heavy investment in new equipment and technology in the 1980s has made it one of the most efficient mills in Europe. VSZ, which exports roughly 75 percent of its production, accounts for about 20 percent of Slovakia's hard-currency earnings.

Economist Evaluates 1994 Economic Performance

95CH0143C Prague PRAGUE POST in English 1-7 Feb 95 p 5

[Interview with Jiri Schwarz, president of Liberal Institute, by Lubomir Sedlak; place and date not given: "Think Tank: Economy Was Ahead of Rivals in 1994"]

[FBIS Transcribed Text] *How did the Czech Republic's economy perform last year? Which sectors were problematic and which showed improvement? Did the economy produce better results than other economies in Central Europe, namely in Poland, Hungary and Slovakia? The PRAGUE POST put these and other questions to prominent economist Jiri Schwarz, president of the Liberal Institute, a Prague think tank.*

THE PRAGUE POST: Did the Czech Republic's gross domestic product (GDP) rise or fall in 1994 in comparison to the preceding year? What other yardsticks would you use to measure the success of this country's economy?

Jiri Schwarz: The GDP rose to $3,720 per inhabitant last year. The growth was just above zero, but even that is a success, because in previous years, it had been falling.

I feel I should also point out that we are talking about statistical growth—in other words, what was measured by Czech statisticians. The truth is that these statisticians are as yet unable to acquire data from small entrepreneurs, not to mention the gray economy. Moreover, I cannot overstate the fact that with continuing privatization, companies can no longer afford to manufacture products that end up in warehouses and are never sold. This had been distorting the GDP figures in the past, suggesting a growth that never really was.

Apart from GDP, I would mention three other yardsticks that can be used to measure how any economy is doing. These are inflation, unemployment and balance of payments, in that order.

PRAGUE POST: Inflation was approximately 10 percent last year. Would you say wage regulation was one of the reasons it was that low?

Jiri Schwarz: Yes. Not that I agree with wage regulation in private companies, though. I think these companies know that if they raise salaries too much, they could go bankrupt. The regulation should apply only to state-owned companies ... and to those that are in the process of being privatized.

PRAGUE POST: Let's turn to the 1994 unemployment rate, which is just over 3 percent. Do you think that such low unemployment results in low labor productivity?

Jiri Schwarz: I would not hesitate to say that low unemployment is one of the things that is slowing down economic growth. There are two main reasons, I believe, for such low unemployment last year, as well as in the preceding years. First, the Czech economy seems to have a remarkable capacity for absorption: Sectors such as services were able to take on substantial numbers of people previously working in heavy industry. Second, the 3-percent figure does not include "hidden" unemployment. This means that you have two people doing a job that could be done by one. This situation applies not only to state enterprises, but also to large companies that have been privatized. The reason is that the new owners are still unable to tackle this phenomenon.

PRAGUE POST: Another economic yardstick is balance of payments. How did the Czech Republic do in this area in 1994?

Jiri Schwarz: The balance of trade ended with a deficit of around $1 billion. In other words, the country was importing much more than it was exporting. The balance of payments in general was a surplus, however, because it included foreign investments in this country.

PRAGUE POST: Which sectors of the Czech economy did well last year, and which did not?

Jiri Schwarz: It is almost impossible to compare sectors. It is much easier to compare companies, because you can look at their price per share or the dividends they pay out. Still, I would say that a sector that was doing well in 1994 was services. A problematic sector, on the other hand, was energy, although it didn't appear so. One of its major problems was regulated prices.

PRAGUE POST: The Czech economy is generally doing better than other Central European economies. Yet some economists, such as Jeffrey Sachs of Harvard University, who spoke in Prague last fall, are of the opinion that Poland is the most dynamic country in the region. Its GDP is growing at a faster pace.

Jiri Schwarz: I think Sachs is wrong. For one thing, Poland's GDP growth is higher because that country's statisticians are able to include data relating to small manufacturers because these producers had been part of the Polish economy even under the communists. Another reason is because Poland's starting point had been much lower. When the economy in communist Czechoslovakia was stagnating, in neighboring Poland it was already falling.

Turning to Hungary, the only area I can think of where they have been doing better than the Czech Republic is in attracting foreign investment. Under the communists, they were already more open toward the developed world.... In general, though, I definitely agree with the notion that the Czech economy is doing better than any other in the post-communist world.

Czechs, Slovaks Compared Two Years After Split

95CH0134B Prague RESPEKT in Czech 16-22 Jan 95 p 3

[Article by -VM-: "Two Years After the Split—Comparison of Czech and Slovak Attitudes by STEM and FOCUS Agencies"]

[FBIS Translated Text] Although two years after Czechoslovakia ceased to exist two-thirds of Slovaks and 20 percent of Czechs have already come to terms with the existence of two independent republics, there are still enough supporters of the two nations' coexistence in one state. Even today, 25 percent of Slovak citizens and 17 percent of Czechs would still like to have a federation, and a confederation would be chosen by every fourth Slovak and every 10th Czech (56 percent of our fellow citizens and roughly one-third of Slovaks are satisfied with the present situation). This is shown by the joint public opinion poll conducted by the Center for Empirical Studies (STEM) and the Slovak Center for Social Analysis-FOCUS at the end of November and beginning of December [illegible] year.

The biggest gap in the opinions of both nations exists in the evaluation of the past and the present regimes. Whereas 60 percent of Czech Republic [CR] citizens evaluated the post-November regime positively, in the Slovak Republic [SR] this view is shared by only a little more than one-third of the nation. (A reverse ratio applies to the dissatisfied: SR—45 percent, CR—20 percent.) We find similar basic differences in the evaluation of economic reforms: whereas seven Czechs out of 10 are convinced that the pre-November economy demanded fundamental changes, in Slovakia half of the population would be satisfied with only minor adjustments. These data also correspondd with the amount of optimism in both nations—74 percent of Czechs and 52 percent of Slovaks believe in a better future for their children.

The research, in which more than 2,700 people answered questions of social scientists, further makes clear that the Czech and Slovak societies differ in the way they understand democracy and the different levels of national priorities. Slovaks emphasize the provision of economic necessities (42 percent) as the most important thing for democracy, whereas Czechs put in first place personal freedom and in second place people's equality before the law (altogether 52 percent). First on the list of most pressing problems in Slovakia is health care (66 percent), second, unemployment (45 percent), and third, standard of living (41 percent). Here the order is different—crime (66 percent), health care (44 percent), standard of living (31 percent). And one more point: whereas in the Czech lands only 39 percent of those queried have confidence in the parliament, 57 percent of the population have confidence in the Slovak National Council. We find similar differences also as far as having confidence in the army is concerned (24 percent in CR, 56 percent in SR).

Besides the differences mentioned already, Czechs and Slovaks have, of course, also a number of corresponding traits. One of the instances where views have come closer together in the last two years is the conception of civil rights and liberties. Personal safety, healthy environment, freedom of expression, voting rights, and freedom of the press are the most important civil rights in the Czech lands as well as in Slovakia. Both populations also agree in giving a relatively small importance to the right to associate in political parties, to strike, and to establish civic associations. And this leads us to another common trait: civic perplexity.

Today, roughly three-fourths of Czechs as well as Slovaks have no idea how to contest "unacceptable decisions of the government or the parliament." Also identical are the ways in which former citizens of Czechoslovakia engage themselves politically. Besides voting in elections, their activity is basically limited to signing petitions or participating in political rallies. Only a significantly small part of the population is willing to take a really active part in political life, that is, work in clubs, political parties, etc.

Former Communist Leaders Elude Prosecution

95CH0143A Prague PRAGUE POST in English 1-7 Feb 95 pp 1, 3

[Article by Timea Spitkova: "Leaders of the Old Regime Unlikely To Be Prosecuted"]

[FBIS Transcribed Text] When a prosecutor dropped charges on January 20 against two former top Communist Party bosses, the Czech Republic's five-year crusade to bring leaders of the old regime to justice ended in failure.

The statute of limitations ran out as police searched fruitlessly for Milos Jakes, the former general secretary of the Communist Party Central Committee, and Karel Hoffmann, a former member of the Politburo. The two men had been charged with unlawful flight.

"The last five years were practically without any development, and in the final 30 hours the office realized this," said Vaclav Benda, head of the Bureau for the Investigation and Documentation of the Crimes of Communism. "It was the legal mistake of our police. They had, at the end, too little time to file charges."

Many observers are harsher, calling the whole effort to prosecute former Party officials a Keystone Cops affair that was pointless from the start.

In the case of Jakes and Hoffmann, for instance, both men's lawyers said they had witnesses prepared to testify that the two suspects were at home when police failed to find them.

"The Czech police acted quite naively and made fools of themselves," said Egon Lansky, the journalist and commentator.

Some lay the blame for the failure to prosecute any top Communists with the government rather than with the police.

"There is no political will in parliament to deal with this question," said Bohuslav Hubalek, former director of the Office of Documentation of the Unlawfulness of the Communist Regime, one of several bodies that were charged with investigating former Communist Party officials.

In November, Hubalek wrote a letter to President Vaclav Havel asking him to intervene and allow for longer investigations.

"The president's negative response contradicts his other stances," said Hubalek. "I realize that these questions can tie up time in courts, but these investigations do take time."

According to Hubalek, the supposed five-year period within which charges could have been filed was in fact dramatically shorter, since the law came into effect in August 1993, while the statute of limitations began in 1989.

Other critics, including two people close to the investigation, said that some of the middle- and lower-level detectives assembling the dossiers had begun their own careers under the old regime and were sympathetic to its leaders.

"There existed a certain solidarity between those who were to be charged and those who were in charge of the investigation," said Jaroslav Basta, the chairman of the security committee in parliament.

Basta said that some officials of the StB, the communist-era security police, and of other organizations had been prosecuted, but that no top official of the Communist Party itself had been charged with any crime.

"Investigations were targeted against people from the StB," Basta said, "but during the '70s and '80s, the police and the StB acted under the direction of the Central Committee of the Communist Party."

Gen. Aloiz Lorenc, a former head of the StB, was charged with instigating violence in 1989, but fled to Slovakia to evade trial. Basta said he had seen written orders from Jakes, the former general secretary to Lorenc.

"It wasn't Lorenc who gave instructions to Jakes, but Jakes to Lorenc," said Basta. "If someone should have been put in prison, it should have been Jakes."

Jakes replaced Gustav Husak as general secretary in 1987, leaving Husak the formal role of president. As the chairman of the Committee of Central Control and Inspection, Jakes played a key role in purges following the Soviet-led invasion of Czechoslovakia in 1968.

Hoffmann was a member of the Politburo from 1977 to 1989. In 1968, he was one of the key opponents of reform within the Communist Party.

Ministry Urges Hungary To End 'Protectorate'

LD0603110695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 6 Mar 95

[FBIS Translated Text] The Ministry of Foreign Affairs issued a statement that says that an insurmountable wall will continue to stand in the way of reaching a Hungarian-Slovak settlement until Hungary gives up its protectorate of ethnic Hungarian Slovak citizens.

No Real Progress at Hungarian-Slovak Talks

LD0503121895 Budapest Kossuth Radio Network in Hungarian 1100 GMT 5 Mar 95

[FBIS Translated Excerpt] The discussion of experts in Bratislava, where the Hungarian-Slovak basic treaty was on the agenda, began on 3 March and ended at lunchtime today. The press briefing following the discussions is still in progress. Ildiko Nagy tells us what has been said so far:

[Nagy] At the press briefing, which began a few minutes ago both the Slovak and Hungarian state secretaries were agreed that they do not have any special reason for being overly optimistic, because progress has really been less than might have been expected. The work done so far has been limited to identifying within the draft text those points on which they agree and those on which there is no agreement. Unfortunately, they have managed to achieve few results in respect of bringing the differences of views closer together, or of bridging them, because the minority issue is not the only one that figures in this sphere of issues. As to just what these are, that is being dealt with precisely at this moment.

With regard to the minority issue, they were agreed that this category requires a political decision, because the standpoints are fairly distant from each other. The European standard could provide the only possible way out, and this is considered to be the norms laid down in the relevant international documents. The difference lies in whether the international documents will be taken as a whole or whether they will pick and choose among them.

According to Ferenc Somogyi [administrative state secretary at the Hungarian Foreign Ministry], there are two possible reasons for the small amount of progress: Either it is simply that the issues are too complex, or it could also be that there is a lack of any real willingness for agreement. [passage omitted]

Vietnamese Delegation Departs After 4-Day Visit

LD0403220595 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 4 Mar 95

[FBIS Translated Excerpt] A delegation of the National Assembly of the Socialist Republic of Vietnam, led by its chairman, Nong Duc Manh, has ended its four-day official visit to Slovakia. Parliament Deputy Speaker Augustin Marian Huska bade them farewell at the Milan Rastislav Stefanik airport in Bratislava. During their visit, the Vietnamese guests met with National Council Speaker Ivan Gasparovic, at whose invitation they visited Slovakia, Prime Minister Vladimir Meciar, and Foreign Minister Juraj Schenk. The delegation was also received by President Michal Kovac. [passage omitted]

Meciar on Austrian Aid Offer, Relations

LD0403192395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Mar 95

[FBIS Translated Excerpt] Our correspondent Ivan Bielko asked Slovak Prime Minister Vladimir Meciar for a short interview after the news conference he held yesterday.

[Begin recording] [Bielko] Prime Minister, you neither accepted or declined Austria's offer of 500 million schillings.

[Meciar] Austria offered 500 million schillings to support alternative resources, to introduce alternative resources of energy into the production of energy in Slovakia. Naturally, this amount is not sufficient. The amount is not, however, the main issue. What is important is the offer to look for other technical solutions. We are prepared to talk to anybody, any time, about more advantageous solutions. The amount of money has more symbolic than real meaning, and therefore it was neither declined or rejected.

[Bielko] Austrian President Thomas Klestil said that relations between Austria and Slovakia are very good, yet they could be disturbed by the problem of the Mochovce nuclear plant. What do you think? Is this plausible?

[Meciar] After today [3 March], I do not think so. There were some doubts, but they were dissipated today. Mutual trust was reinstalled by this visit. [passage omitted] [end recording]

Meciar To Discuss Mochovce Nuclear Plant

LD0303153795 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 3 Mar 95

[FBIS Translated Text] Slovak Prime Minister Vladimir Meciar left for his one-day working visit to Austria today. In addition to talking with Chancellor Franz Vranitzky, he will meet with Austrian President Thomas Klestil; Heinz Fischer, president of the Chamber of Deputies; and Foreign Minister Alois Mock. Vladimir Meciar is also due to attend the opening of the Slovak Republic's honorary consulate in Vienna, Burgenland, and Nieder Oesterrei.

Jamila Tosecka interviewed Prime Minister Meciar before his departure:

[Begin recording] [Tosecka] The Mochovce nuclear plant will be the main if not the only issue on the agenda of your one-day visit. Slovak officials have just been defending Mochovce in Brussels and you will have the same task in Vienna. Prime Minister, is there any hope? Also, what do you think about the offer for half a million [Austrian] schillings if Slovakia gives up this nuclear plant?

[Meciar] First of all, the purpose of my visit is not to advocate the Mochovce nuclear plant but to advocate good Slovak-Austrian relations. Mochovce is not the only issue on my agenda, the primary issue is the mutual relationship.

For three years we held talks with Austria about joint projects and none of them has been implemented yet. We want to know why. With regard to the Mochovce plant, it is a technical issue not a political issue. If Austrian political bodies—parties, government, parliament, and civic organizations—managed to unite against it, then there are at least several matters of dispute. [sentence as heard] Why did they not unite against Temelin [Czech nuclear plant in South Bohemia]? It is a nuclear plant of the same type. Why is it happening now, when the new [Slovak] government has taken office and not when the completion was agreed and the Austrians knew about it? Moreover, Austrian officials used to come to Slovakia to support the former government in the election campaign. Why was there not a single word of protest when [Slovak president] Michal Kovac announced in Austria how the nuclear program would be implemented while I was in opposition?

We do not want to make Mochovce an essential problem, because, as it looks, we cannot reach agreement. I know nothing about any half a billion [as heard]. I have not received any offer like that so far, and even if it was proposed it would be laughable because the value of the plant in used-up investments and losses is 30 billion Slovak crowns, which represents 11 billion Austrian schillings.

[Tosecka] [Word indistinct], prime minister, in the interview for the Austrian agency APA, indicated that the Mochovce debate might badly effect Slovak relations with Austria. It must also be considered that Austria could possibly block Slovakia's entry to the European Union. That applies not only to Austria but the whole of the anti-Mochovce campaign, which, together with the anti-Gabcikovo front, has already marked the attitudes of Denmark, Luxembourg, and has even reached the United States.

[Meciar] As this matter is becoming international, we have to say that all European countries, apart from Austria and perhaps two other countries, have also used nuclear power and nobody protests it like they do in our case.

We also have to say that our western neighbors in the Czech Republic have their nuclear plant situated some 80 km short of the border while ours is further away. It must be said that there are other differences, too. In the Czech Republic an American firm is involved, in Slovakia it is France and Germany which implement their projects. Security was scrutinized, three rounds of international security audits were successful.

From the investment point of view, the financial sources in the EBRD can be blocked, the bank can decide regardless of politics. However, it is quite incomprehensible to threaten Slovakia with blocking its entry to the EU and so on, creating a purposeful political problem in the form of Gabcikovo [hydroelectric complex]. This situation is not new, we have been here before, just the issue and the names of the countries involved are different. We do not want—and this is not only the stand of the Slovak Government—Mochovce to spoil relations between two friendly countries. [end recording]

Meciar 'Regular Friday Interview'

LD0303234595 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 3 Mar 95

["Regular Friday interview" with Prime Minister Vladimir Meciar by correspondent Jarmila Tosecka; place and date not given—recorded]

[FBIS Translated Excerpt] [Tosecka] [Passage omitted] Many people do not consider preelection assessments and statements made by the president about the Movement for a Democratic Slovakia, and about you personally, Prime Minister, to be above party politics or unbiased. However, after the elections, this has changed. At a news conference, the president spoke in a conciliatory and welcoming tone. Is it possible to expect that you, Prime Minister, would assume a similar tone?

[Meciar] After everything that has happened, and quite a lot happened, it was me who offered my hand to the president as the sign of peace and cooperation. You might have noticed that my statements do not contain any attack against the head of our state or any doubt about his standing. Neither will I embark on this now.

As regards cooperation issues, they are outlined by the Constitution, and the mechanism of the process was agreed during my talks with the president. My impression is that it is more likely the people around him who do not respect the agreements and provide him with wrong information about what is happening. However, this is a matter to be looked at during future talks with the president.

Given the situation we find ourselves in, I made a generous offer to the Presidential Office that the government would (?willingly) partly ease its administrative burden. The entire administrative apparatus of the government, with a number of clerks, will be at the disposal of the president. In this way, important documents he receives will be sent to ministers and heads of individual departments to deal with. In order to arrange for the president not to tire himself by signing all letters and other correspondence, we even agreed that this obligation would be assumed by the head of the Presidential

Office. There are no problems, from a technical point of view, with the government going halfway, but I am not aware of this mechanism being already in use, though I have reached agreement in this sphere with the president.

[Tosecka] Very important facts, circumstantial facts, and hints linking the Slovak Intelligence Service [SIS] with the Democratic Union, and even with the Castle have been published. [passage omitted]

[Meciar] Some SIS officials have resigned following some findings of the parliamentary group in charge of controlling the SIS. We agreed that in the interest of the state we will not publish facts, and we agreed on a new post to be taken by the SIS head. I have not violated these agreements and neither do I want to violate them now.

Following the findings available to us, questions on how this service functions and on the mechanisms for controlling it have emerged. The president has appointed the SIS head, and despite this, things have happened which do not honor the service. This is why we should ask whether this state of affairs should be preserved. This is why it should be totally right for the government to assume the control and guarantee of impartiality of the SIS, as the government works under parliamentary control, instead of the president, who considers himself to be outside parliamentary control, at least according to his closest circle. This is why the system of control through the government will be considerably more democratic and more secure. [passage omitted]

[Tosecka] Could you give us the name of the candidate?

[Meciar] I cannot give it to you right now. No candidate can be put forward until the issue of powers to appoint somebody is solved, only once the issue of who is entitled to appoint him is solved we can tackle the question of whom to appoint.

[Tosecka] Does this mean a rather considerable vacuum in this sphere?

[Meciar] No. Mr. Mitro's dismissal [as heard] will take effect on the date when a new head is appointed. This means that until such time he will continue in his post. [passage omitted]

[passage omitted] [Tosecka] I would like to ask you one question: are we going to need the IMF at all in the future?

[Meciar] The IMF's contacts, recommendations made by this Fund are important for everybody, and this is why even those states that do not directly depend on its help are its members and contributors. There is no doubt that the IMF is such an important institution that it is worthy for us to be its member, and make use of its options, other than financial ones, for our development. As regards its statements about Slovakia's success, they have a certain healing significance for us. [passage omitted]

As regards these assessments, they are positive as they make people to begin to trust themselves, to turn their minds from a negativist to a positivist program orientated at our future. However, I would like to warn against a premature assessment of the significance of such words. The Slovak Republic has achieved successes, we have embarked on this path but as yet this does not constitute an overall development trend. This trend has been created in some spheres, in some companies, but it still does not apply to Slovakia's entire territory. [passage omitted]

I would tend to call on our citizens to trust the government and its program. You should remember that there have always been people who cast doubts, are disruptive but unable to build anything positive—and such people will keep addressing us also in future. The path followed by Slovakia is different from that followed by others but it is a correct one. It is ours but good.

[passage omitted]

[Tosecka] The budget might be, or is to be, approved by parliament as soon as next week. [passage omitted] Do you think, prime minister, that some problems might emerge after all as the Association of Workers of Slovakia [ZRS], member of the coalition has hinted? [passage omitted]

[Meciar] We have managed to form a program that is perceived abroad as courageous. We have managed to make it socially more acceptable, making it more advantageous for people than the last one. This program is in harmony with the program of the Association of Workers of Slovakia, and all ZRS members of the government voted in its favor. I held talks with ZRS leading officials and none of them cast doubt in any way on this trend. [passage omitted]

Meciar's Control of Electronic Media Described

95CH0135A Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Jan 95 p 33

[Article by Berthold Kohler: "Forced To Emigrate?—Meciar's Political Game With Electronic Power: Slovakia as a Media Country"]

[FBIS Translated Text] Bratislava, Jan—To claim that on Slovak television there are no more satirical broadcasts is said by a Bratislava citizen, whose ridicule has become more bitter over recent months, to be "malicious and false." The loss of "Milan Markovic's Evenings," a program which was broadcast each month on television, was a bitter blow for the viewers. But, in return, one is indemnified every day at prime time with realistic satire: with the main news of the day. These news broadcasts have become so protocol-ridden and void of content since the advent of the new Slovak television management that many Slovak citizens feel compelled to emigrate electronically. "If I want to find out what is really going on in Bratislava, I must again either listen to Radio

Free Europe or turn to Austrian television," says an official in the Office of the President.

With the return of the autocratically governing Prime Minister Meciar at the end of last year, the Slovak media landscape once more found itself on the move, but not to its advantage. Meciar who was toppled twice before already and has obviously been traumatized by this fact, is seeking to secure his regained power on all sides. Convinced of the fact that whoever holds the electronic media in his hand also holds half of the country in his hand, the new government coalition pulled a sort of coup during the first parliamentary sessions by staffing radio and television with "reliable" people. The Radio and Television Council, which makes decisions regarding programs and personnel, has since then been an extended arm of the government parties.

A delegate from Meciar's Movement for a Democratic Slovakia (HZDS) was appointed the new radio director and the new television chief, who is officially without party affiliation, is also "our man," according to Meciar. Even in the regional studios, the directors had to go. The state-controlled news agency (TA SR), which enjoys a monopoly standing, is headed once more by its former chief, Dusan Kleiman, who earned his keep in the interim as HZDS spokesperson.

The predecessor government had also undergone some personnel changes in the state media—for example, they dismissed Kleiman. Since the fall of the Communists, however, no one in Slovakia has wielded the broom so openly and with such consistency as the third Meciar government. Its newly appointed governors are supposed to see to it that opposition opinions stay out of the mass media. This is being camouflaged as "depoliticization." The new television director, Jozef Darmo, for example, believes that television must be freed from party influence, from "anarchy," and from "uncultured squabbles" on the screen. As one of his first actions, Darmo saw to it that his transmitters were no longer used to "defame the nation" or "misused for the vulgar besmirching of national institutions": The Markovic disrespectful political show, which had 60 percent of the market share and was popular throughout the country, has lost its place on public television which still has no serious private competition since the contract expired. Markovic is said to have produced tensions in society with his "countergenre" broadcasts instead of attenuating such tensions; he had even split families, according to the director.

It was primarily Meciar and his policies that were the targets of Markovic's biting humor. The fact that the populist Meciar did not see any humor in such things is something he had already indicated often enough prior to his second toppling in March of last year. Critical statements from within or from abroad regarding Meciar's policies were and continue to be represented by protagonists from the HZDS as being attempts to deprive the young Slovak Republic of its vital nerve. Within the atmosphere of the HZDS and its two radical coalition partners, critics from abroad, but primarily journalists, are considered to be either naive Westees who understand nothing about the East or agents of that alleged "world conspiracy" against Slovakia which is being fed especially by Hungarian, Jewish, and Czech sources. Critics within Slovakia are characterized as corrupt agents of these dark forces.

In a letter addressed to the American charge in Bratislava, Hofbauer, HZDS delegate and former transport minister, placed the responsibility for the death of his wife upon Radio Free Europe and "dozens of 'independent' journalists who are being supported magnanimously by 'independent foundations.'" These people, as Hofbauer wrote, had manufactured an incendiary climate in which the heart of his wife was no longer able to continue beating.

Overt action taken against newspapers, such as the campaign by the second Meciar cabinet against the opposition newspaper SMENA, has thus far not taken place. Uncomfortable media, such as, say, the SMENA successor SME or NARODNA OBRODA, which is becoming more critical, reach only a limited number of readers and have, therefore, little influence on broad public opinion, unlike television and radio. Nevertheless, the journalists of these newspapers are afraid that the new government wants to use indirect methods to make their survival difficult or even impossible. There are possibilities in this direction, for example, via a "goal-oriented" privatization of the printing plants or through raising printing and paper prices (the TA SR news agency has already heftily ratcheted up the price screw). Most Slovak newspapers are operating at the margins of profitability or at a loss; the readership reacts with extreme sensitivity to any price increases. The persistent rumor that the value-added tax on newspapers will be raised from 6 to 25 percent was denied once by Meciar. It had mightily shaken up the publishers.

Yet the government has already found ways to promote the unofficial HZDS organ—the newspaper SLOVENSKA REPUBLIKA. The competition only found out about the contest to produce a supplement for the Ministry of Defense after the above newspaper, which stands close to the HZDS, already had the lucrative contract in its pocket. In the view of the government, this is because SLOVENSKA REPUBLIKA is seen as being reliable. The paper hardly misses any opportunity to warn against the "threat to the freedom and sovereignty of Slovakia." But this is the principal means at the disposal of the leftist and rightist populists in the government coalition used to line up the people behind themselves in difficult economic times. Frequently, the impression arises that the returned Meciar regime, which conspicuously includes many former Communists, can grasp its environment only in terms of the concepts of the cold war because he is simply lacking in intellectual mobility. The new television director Darmo believes that the East and the West are still standing "on different sides of the front." On both sides, "deformations in thinking" must be dismantled.

Of course, Darmo himself adheres to the story regarding the world publicist conspiracy against Slovakia. Previously, the media theorist headed a loyal group of native journalists who wanted to spread the "true picture of Slovakia," that is to say, the HZDS picture, throughout the falsely informed world and who attempted to make their careers on that basis. In his inaugural speech on television, Darmo resorted to an old well-known topic: In a time when we are "wading about in a wave of disinformation and slander by Western journalists," Slovaks must protect the "purity" of their television screens. For this reason, this television screen must be a "Slovak" one.

The "spiritual revival of Slovakia," to which television is intending to make a contribution according to Darmo, is something which not all Slovaks are naturally waiting for. After Meciar's second return provided proof that the HZDS state must be understood not only as a political phenomenon, but as the product of a society which has been startled by freedom and which is longing for security and for state paternalism, the first signs of disengagement in the direction of Bohemia and Moravia can be observed among Slovak intellectuals. But not all wish to leave the definition of what is actually "Slovak" to the narrow-mindedness and provinciality of the new leadership. In any event, Markovic intends to take his show through the houses of culture and theaters of the land in order to circumvent the official muzzle. Offers to work for Czech television have hitherto been rejected by the man with the sharp tongue and, presumably, for good reason. "With the Czechs," according to the Slovak satirist from Bratislava, who says so this time without any mockery whatsoever, "a broadcast such as the Markovic program which is openly critical of the government would never even have gotten as far as being transmitted."

Hungarian Parties Write to CE's Tarschys

AU0403144495 Bratislava SLOVENSKA REPUBLIKA in Slovak 23 Feb 95 p 4

["Full text" of letter from representatives of the three Hungarian coalition political parties in Slovakia to CE Secretary General D. Tarschys; date not given]

[FBIS Translated Text] Esteemed Secretary General!

The Hungarian Coalition, comprising the Hungarian Christian Democratic Movement [MKDH], Egyutteles, and the Hungarian Civic Party [MOS], is communicating with you by letter for the first time. The Hungarian Coalition is the third largest political entity in the National Council of the Slovak Republic. Hungarian deputies received their mandates for the current Slovak Parliament only within the framework of the Hungarian Coalition. All three parties or movements are advocates of a law-governed state, democracy, and rapid economic restructuring. Evidence of this is also provided by our participation in European organizations (the MKDH is an observer in the European Democratic Union and the EUCD [expansion unknown], Egyutteles is an observer in the Liberal International, and the MOS is an observer in the Liberal International and an associate member in the ELDR [expansion unknown]) and by our demonstrable political engagement in recent years.

For this reason, the fact that, in contrast to the preceding era, there is not at present one member of the ethnic minority in the Slovak Parliament's delegation to the Council of Europe [CE] is surprising. The governing parties have rejected all of our personnel proposals. In view of the fact that previous contacts with the CE staff were good and that we cannot get in touch with you directly through the Slovak delegation, we are taking the liberty of informing you by letter of certain negative phenomena in Slovakia.

The government program adopted in January contains among its conclusions discriminatory objectives regarding the ethnic minorities. The government makes it clear that it intends to return to its 1993 proposal for territorial-administrative division, which would affect the ethnic minorities in Slovakia—mainly the Hungarian one—equally unfavorably (discriminatorily), both with regard to their involvement in public administration and issues concerning their right to vote. These facts contradict the CE's recommendations regarding Slovakia and deserve increased attention of the part of CE observers. The restructuring of public administration is also important because it affects not only the ethnic minorities but also other natural, social, cultural, economic, and geographic spheres; after all, the government intends to reorganize public administration artificially so that it corresponds to its power interests. In recent years, many proposals for an alternative solution have been put forward, but the current government is not even willing to discuss them.

The planned public administration boundaries will render it impossible for the minority communities to assert their interests and implement their right to decide on their own affairs (Hungarians will be placed in an absolute minority in all of the self-governing regional organizations) and will prevent them from exercising their linguistic right (their proportionate number will thus fall below 20 percent). Moreover, instead of the current system of proportionate representation, the government intends to introduce the majority principle. Because in Slovakia the boundaries of the electoral districts conform to the public administration boundaries, there is a real danger here that the reorganization of public administration, along with the change in the system of representation, will have a radical influence—a downward trend—on the size of the minority communities' parliamentary representation. There is also a danger of this if the new public administration division alone were implemented and, at the same time, the law on the right to vote were not modified.

The government program casts doubt on the existence of different cultures in Slovakia. This could have a negative impact on the ethnic minorities' education system, on its hitherto institutions and their financing. At the same time, the program places exaggerated emphasis on protecting the Slovak nation. In Slovakia, where approximately 15 percent of the population is non-Slovak, this means that the government intends to protect the majority against the minority. The part of the government's statement devoted to minority policy does not deal with the protection of the minority or with the codification of its rights, but promises cultural and identity-boosting support for the Slovaks living in South Slovakia. It is possible to cite specific examples for the accomplishment of this endeavor: In connection with the Matica Slovenska [Slovak Heritage Foundation], which is called upon to boost the Slovak nation's identity, the government's program states that it will receive support from the state budget and that the state will not monitor its use (under the first Meciar government, the Matica Slovenska received printing offices, other real estate, and so on into its ownership), while the government has now reduced support for minority institutions, magazines, and publishing houses to a minimum and this item does not even figure in the provisional budget for the first three months of the year. The government is also making this minimal support dependent on political loyalty, which we consider to be a gross infringement of civil rights and freedoms.

One of the important objectives of the government's program is the creation of so-called alternative education. At first glance, this idea seems extraordinarily democratic, but, in the final analysis, it means the liquidation of the Hungarian school network. After all, today there is a given "alternative" for each parent, that is, whether he wants to register his child in a Hungarian or a Slovak school. The creation of a new school network is only conceivable to the detriment of Hungarian educational institutions, because the current education department is not capable of fulfilling completely the financial expectations for the existing schools. The realization of this aim may have a negative influence on the entire education system in Slovakia.

Another important point is that, by their measures, the governing parties are systematically violating the freedom of the press. This is borne out by the fact that the Hungarian Coalition, despite being the third most significant political force in the Slovak parliament, has not made it into the newly formed parliamentary councils that are tasked with overseeing the public media (Radio and Television Council; Council for Conferring Frequencies).

During the debate on the government's program, our deputies, with good intentions, submitted several draft resolutions that pursued Slovakia's interests. They mostly concerned adopting the recommendations contained in the CE charter or, rather, adhering to the proposals submitted by the Organization on Security and Cooperation in Europe's senior commissioner for minority issues. Our proposals were rejected by the deputies from the governing parties (See Appendix No. 1).

At the time of the debate on the government's program, the Hungarian Coalition appealed in a letter to the governments of the Visegrad Group [Czech Republic, Slovakia, Hungary, and Poland] states and brought the negative conclusions in the minority policy sphere to the attention of their prime ministers (See Appendix No. 2).

Despite all of these negative phenomena, we hope that Slovakia will be capable of complying with the requirements for European integration. The Hungarian Coalition also intends to play a positive and constructive role in this process in the future. We believe that the CE will also continue to assist Slovakia's democratization and integration into the EU and, at the same time, will not cease to devote exceptional attention to the issue of the ethnic minorities.

Yours Faithfully,
Bela Bugar, MKDH chairman
Laszlo A. Nagy, MOS chairman
Miklos Duray, Egyutteles chairman

Coalition Partners Differ on Foreign Policy

95CH0124A Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Jan 95 p 10

[Article by Berthold Kohler: "Glib Talk Regarding the European Union and NATO"]

[FBIS Translated Text] Bratislava, Jan—There is still a lot that is wrong in the talks going on between the West and the new Slovak leadership. As the representatives of the European Union (EU) presented the president of the Slovak parliament, Gasparovic, with a demarche at the end of last year regarding the concerns the union had because of the understanding of democracy on the part of the new government coalition, the discussion became right undiplomatic for an entire hour. An emissary of the EU also had to listen to the Ministry of Foreign Affairs tell him that he lacked understanding of the "special" conditions and primarily of the "stability needs" of Slovakia. Finally, representatives of Western governments, who are being treated like notorious gripers by the new political elite in Bratislava, are asking themselves who actually wants something from whom?

According to the new government program, which is being debated in the Slovak parliament this week, there should be no doubt with regard to the above question. Slovakia is proclaiming that membership in the EU and in NATO is the main goal of its foreign policy even under the third Meciar cabinet. Bratislava intends to apply for membership in the EU at the latest by mid-year—although this is after Warsaw and Budapest have applied, but, nevertheless, before a similar application is made by Prague. Schenk, the new and politically experienced minister of foreign affairs, claims that this is merely a continuation of the policy which was initiated by predecessor governments. The association agreement with the EU becomes effective on 1 February. It had been signed by the second Meciar government. According to the strictly nationalist chairman of the external committee, the former minister of culture, education, and church affairs, Slobodnik, Slovakia would not retreat to the Balkans as is being predicted by the "prophets of gloom and doom."

The affirmation that Slovakia continues to be oriented toward the West had become necessary because both of the junior partners of Meciar's Movement for a Democratic Slovakia (HZDS), the nationalistic Slovak National Party (SNS) and the left-radical Labor Association (ZRS), had made glib, but disrespectful statements regarding NATO, the EU, and the International Monetary Fund (IMF). The chairman of the SNS, the intellectually simple Jan Slota, is known as a friend of pan-Slavism and of its loudmouthed grand master, the Russian Zhirinovskiy. In popular parlance, the lord mayor of the central Slovakian town of Zilina is referred to as "Zhilinovskiy." The ZRS chief and deputy president of parliament, Jan Luptak, who is a mason, and who is primarily concerned with the honor of the working class, let slip an occasional phrase regarding the sinister organizations of the former class enemy during the mixing of the old class struggle slogans.

The foreign policy indifference on the part of the coalition partners created so much of a stir that Meciar felt compelled to intervene. The prime minister said that it was not without reason that he used the same pen to sign the coalition accord as he had used to sign the EU Association Agreement and called off his followers. They subsequently murmured something obediently about wanting to fulfill the "will of the people" (the people want more to join the EU than NATO at present). But Western diplomats find it still somewhat peculiar that it was precisely a ZRS person, Deputy Prime Minister Kalman, who was charged by the government with promoting the approach to the EU (Kalman still proudly uses his title of doctor, which he received from the Communist Party's party school). The clearly Western-oriented opposition in Bratislava is not overly worried about any overly great influence which both of the extreme parties can exert upon Slovak foreign policy; toward this end, it is said that they are lacking in intellectual capacity and that Meciar is short on a readiness to compromise.

Actually, the fundamental decisions of this government are made by the HZDS; this means: Meciar personally. Although one frequently does not know which of the proclamations made by the most powerful man in Slovakia needs to be taken seriously. At present, the internationally isolated Meciar is being pushed toward Brussels with maximum force; after all, the necessary political and primarily financial support for the Slovak reforms (and the manifold election promises made by the HZDS) can only come from the West. But the EU is still hesitant to receive the populist in a friendly manner because the twice-toppled Meciar is showing a relatively authoritarian understanding for democracy at home. The new government had ignored the broad hint of the demarche, although it understood it, or dismissed it as a "lack of understanding" and "false information" on the part of the West. The fact that the West does not understand the "special conditions" in Slovakia has since been stated by numerous people, ranging from the secretary of state to the director of the television network. The fact that frequent government and personnel changes in Slovakia have resulted in there hardly being any communications channels is proving to be a detriment to communication between Brussels and Bratislava. One high-ranking official who was dismissed from the Ministry of Foreign Affairs states that he was in office just long enough to comprehend what the EU actually is. Former Deputy Prime Minister Schmoegnerova, who is valued in the West as a financial expert, is afraid that the new government does not understand the kind of massive legislative and political changes which are a prerequisite for an approach toward the EU.

First of all, it is a question of acquainting the new Slovak Government with the European understanding of democracy: Namely, that an absolute majority in parliament does not signify absolute power. But the EU cannot exert so much pressure on the new Slovak Government, despite the fact that Meciar is considered capable of doing a lot. His statement that Slovakia would have to turn eastward in the event the West rejects it is not considered to be bluff everywhere. It was as far back as his previous time in government that Meciar attempted to revive political and economic contacts with Ukraine and Russia. The Russians are pursuing clear economic goals in Slovakia. The fact that a "reawakened" Russia would be willing to take any repentant "repatriot" under its wings even from the political standpoint must be assumed. As a former Slovak diplomat says, "Slovakia would be an excellent playing field on which to test Russian influences."

It is not to be expected that Meciar would turn directly and overtly to the East. The beginning recovery of the Slovak economy and, thus, the maintenance of political power are far too dependent upon Bratislava's joining the Western institutions and upon Western investment capital, which is presently flowing in only sparingly. The danger lies elsewhere: Convinced of the geopolitical interests of the West in Slovakia, Meciar could try to play the East against the West. The idea of a "bridge" or of "neutrality" still lurks in Slovak minds. Given too many foreign policy tricks, Bratislava could, in the end, turn out to be the loser. In the last poker hand played with Klaus, the Czech, regarding the continued existence or disintegration of Czechoslovakia, Meciar had come up short. Since then, in Bohemia, sympathy is outweighed by ridicule when eyes are turned toward Bratislava. The decision by the EU to dispatch a Greek national as ambassador to Slovakia is said not to be bad at all, according to the Ministry of Foreign Affairs in

Prague. They say that this goes well together, because, after all, these are two Balkan countries.

'Radical Change' in Privatization Model Possible

95CH0132A Bratislava HOSPODARSKE NOVINY (supplement) in Slovak 11 Jan 95 p IV

[Article by Jozef Kasuba, Sevisbrokers Corp.: "A Radical Change in Coupon Privatization and Its Possible Consequences"]

[FBIS Translated Text] One of the fundamental problems involved in the transformation process of the economy which the new government in the Slovak Republic intends to reevaluate is the entire process of privatization.

Despite the fact that the program declaration of the government is not yet known to the public and has not yet been approved in parliament, it can be anticipated, on the basis of statements made by responsible government officials (for example, by S. Kozlik, deputy prime minister and minister of finance), that there will be substantial changes made in the privatization process, particularly with regard to the application of the coupon method.

According to the concepts put forward by the previous government, coupon privatization was to be one of the fundamental methods. However, the new government, judging by the changes which have been announced, is preparing to implement a radical change in the privatization policy by changing the coupon method of privatization from being the principal method to being a supplemental method.

What will this specific change mean in practical terms? What positive as well as negative aspects will it bring to the entire transformation process in the economy and, thus, also to its subsequent development? This is a question to which I shall attempt to respond at least in part.

The announced changes in coupon privatization are intended to deal not so much with the total volume of state property entered in the second round of coupon privatization, which is to remain approximately at a level of 70 billion Slovak korunas, but will primarily deal with the anticipated new principle, namely that the share of individual enterprises intended for coupon privatization is to be only a minority share, that is to say, it is to amount to a maximum of 30-40 percent of the total volume of shares of a privatized corporation.

The question arises automatically as to how the increased majority share will therefore be privatized, which is the decisive share from the standpoint of ownership.

There are not many possibilities; the standard method of direct sale in this case is not very topical, because coupon privatization involves corporations in which there is no interest in terms of direct sales.

Another possibility which the government will likely prefer and which will most likely become one of the decisive privatization methods to replace coupon privatization is the method under which enterprise management and employees would be granted preferential opportunities to acquire shares of the corporation, a method which is supposed to result in the creation of so-called employee stock corporations.

What positive as well as negative aspects can this change bring about with respect to the speed and transparentness of the entire privatization process and to additional related matters?

The positive aspects may include stock ownership by the corporation's own employees and the resulting positive aspects for the corporation; and stock ownership by management, whose commitment and erudition exert a decisive influence upon the results of business activities.

Another advantage, which can, however, be debatable, is the fact that the property will remain under the ownership of domestic investors.

I see the disadvantages of this method to be the following:

- possible efforts by management as well as employees to achieve the lowest possible rating of their own enterprise and the impact of the resulting actions on the results of business activities with a negative impact on the state budget or on state property;
- the possibility that nonobjective criteria will be put forward for those stock corporations which will be privatized by their employees, as well as negative influences upon the price of the corporation securities;
- little likelihood that the correct formula will be found for distribution of the entire quantity of securities among management and employees, among employees themselves, and the resulting negative impact upon the atmosphere of the corporation;
- possible influencing of individuals (at the National Property Fund as well as at the Ministry of Economics of the Slovak Republic, etc.) who will be decisive with respect to the selection of corporations intended for privatization by this method, as well as in the determination of the coupon price of the securities involved;
- the acquisition of credits necessary to affect the change of ownership relationships looms as a serious problem, given the well-known shortage of financial resources at commercial banks which will still further reduce the generally small quantity of credit resources intended for business expansion purposes;
- the problem of paying off the purchase price of securities from the standpoint of acquiring resources can lead to efforts by management to divert profits from the enterprise to other entities or to unjustified

claims by authorities, and can thus result in reducing tax revenues for the state or in lowering the amount of resources necessary for the expansion of the enterprise involved;
- a long-term process involving changes in ownership relationships, tied into the purchasing relationships existing between the National Property Fund and the purchasing employees;
- problems which can arise as a result of failure to adhere to purchase agreements by the purchasing sides and the resulting consequences (nontransparent ownership relationships);
- the ethical question regarding the creation of a privileged group of citizens (employees or management) which will have the opportunity to acquire more property than other citizens (this privileged group is also participating in coupon privatization).

So that if we balance the possible advantages and disadvantages of changing the coupon method of privatization to a method creating employee corporations and look at the overall speed and transparentness of the privatization process, this change does not appear to be progressive, but almost to the contrary, it would appear that the total process will be retarded and made more complicated, something which would, in terms of the final consequences, lead to the Slovak Republic lagging still further behind the other countries that are transforming themselves, for example, the Czech Republic.

As a more advantageous method, I would propose, for example, that parts of privatized corporations be sold in the capital market. In this market, the majority of the above-mentioned problems would solve themselves rapidly. The market would establish the price of these securities and everyone, including employees of the subject corporations, would be able to buy shares, the National Property Fund and the state would rapidly acquire the money from the sales, which is very important during the present state deficit budget; ownership relationships involved in the purchases would be clear and quickly settled, the credit resources of banks would not be diminished, etc.

Another important advantage would be the overall recovery and strengthening of the function of the capital market, which is an indicator of a full market economy and the engine behind the development of the national economy.

Paper Critical of Government's 1995 Program

95CH0132D Bratislava HOSPODARSKE NOVINY in Slovak 13 Jan 95 p 3

[Excerpt prepared by Peter Magvasi: "Even the Government's Program Is for the People"]

[FBIS Translated Excerpt] [Passage omitted] The program declaration of the government is an important document for the future life in this country. It should not be only the subject of parliamentary "pursuits," but should be a serious dialogue. A dialogue in which not only parliament, but also the business community and the broadest of citizenship strata will clarify for themselves the environment which the government wishes to create in this country for the next four years. This is not only a question of the need to express one's confidence in the government, but the necessity to clarify for oneself, with this government, the contours of the environment in which we shall live and work for the next four years. This should be realized both by the government coalition and also by the opposition. [passage omitted]

The government program in its economic part is very ambitious and has many goals but few specifics as far as instruments are concerned for fulfillment of these goals. Even if it is possible to partially accept the counterargument that the program is a strategy which does not have to identify instruments, it is not possible to fully agree with this. Four years are a relatively short period for the development of society. That is why, lumping all these goals into one unclear substantive and uncoordinated (from the timing standpoint) document does not provide the citizen or the state administration or the general representative offices or the business sphere or, for that matter, foreign investors any qualified information for them to use. This is a methodological error which is based on the lack of clear control of the fulfilled goals. Because failure to fulfill one goal very often results in distorting other goals which are tied in with the one goal.

The program is grandiose. Unfortunately, even in the recent past we had grandiose programs which, for the most part, crashed in the third year of a five-year plan. Justifications were always found. For the most part, those at fault were not ourselves, but others who somehow did not want to allow us to fulfill our brave goals. Goals must be set in a demanding manner, but also realistically in terms of timing and based on substance. After all, not even the increase in the share investments have in the formation of the GDP can be the sole source for achieving a specific turnaround in the economy. Such monochromatic stressing of the attainment of a progrowth economic policy is an oversimplification. Growth of the GDP must be achieved through increased spending by the population, both for durable goods and also for short-term consumption, but mostly through the growth in services. Yes, investments have a very definite multiplying effect, but it is specifically limited. We should have seen this opportunity in the economy of the 1980's, when not even a 30-percent share of investments made in the GDP halted the stagnation of the economy of Slovakia. Without a growth in spending by the population for consumption, mostly through the growth of services, it is not possible to anticipate a stable, but mostly efficient development of our economy. That is why an overly great emphasis on the effect of investments is a weakness in the program declaration of the Government of the Slovak Republic.

The program put forward by the new coalition government is lacking several goals and instruments which lacks will certainly be felt given a broad-spectrum economic policy. This is primarily the legislative creation of public administration organization entities as nonprofit components of economic management, the creation of tie-ins between legal standards and the optimum function of holding corporations, a method for safeguarding the diversification of resources through strategic raw materials, economic relationships with the Ukrainian Republic, an increase in the intellectual level of work in industry through sophisticated technologies, legislative measures preparatory to our effective membership in the WTO (World Trade Organization), a method for finalizing the insurance systems for export of capital deliveries with long-term payoff dates, and the institutionalization of regional development.

It is said that if the information system is to function well, there must be a thorough tie-in between the four "W's": hardware, software, orgware, and peopleware. It is generally said that the failure of key hardware and software lies in their lack of tuning with respect to orgware and peopleware. It is necessary to believe that this coalition government has good orgware and peopleware to go with its key hardware and software. After three years, we should not notice that everything was thorough, only people did not understand it. Even this software of the coalition government will have to satisfy the people of this country. Not only a few selected politicians. This must likely be realized the most in expressing confidence in this government. Within the coalition as well as in the opposition.

Spokesman Says Russia Opposes NATO Expansion

LD0403173595 Budapest Kossuth Radio Network in Hungarian 1500 GMT 4 Mar 95

[FBIS Translated Text] Russia continues to oppose the expansion of NATO, the Russian presidential spokesman confirmed to Hungarian journalists. Dmitriy Ryurikov made a statement prior to next week's meeting between Hungarian Prime Minister Gyula Horn and Russian President Yeltsin. He said they would take the necessary steps if NATO, in its current form, reaches the Russian borders. According to the spokesman, the war in Chechnya is a good example to show that there is no need to fear Russia, for it has transpired that the Russian Army is not as efficient as was believed.

Incidentally, Yeltsin's adviser considers it conceivable that Gyula Horn will present a new idea about the expansion of NATO that might represent a new and different approach.

Defense Minister on Ties to Russia, NATO

BR0303112995 Oslo AFTENPOSTEN in Norwegian 2 Mar 95 p 7

[Article by Nils Morten Udgaard: "Better Spirits and Less Shouting on NATO Exercise"]

[FBIS Translated Text] Hungary is moving closer to NATO and putting electronic brains from the United States into its Russian MiG planes.

Defense Minister Attends NATO Exercise in Norway

"Better spirits, a more relaxed atmosphere, and less shouting—that is what distinguishes NATO maneuvers in Norway from the maneuvers we had in the Warsaw Pact," Hungarian Defense Minister Gyorgy Keleti told AFTENPOSTEN. He is on his first visit to Norway and has also attended his first NATO maneuver, "Strong Resolve 1995," in Trondelag and More. "I am especially impressed by the ability to bring forward supplies and reinforcements. The logistic side is highly developed," he said.

Keleti, 48, is better equipped than most to make comparisons, because this mild-mannered career officer—now Hungary's most popular cabinet minister—was also the last press spokesman for the Hungarian defense forces before the Warsaw Pact collapsed in 1989-90. He is now working step by step toward Hungarian membership in NATO and will probably return to Norway in August or September to pay a visit to Defense Minister Jorgen Kosmo.

Closer Contacts

Closer military contacts between Hungary and Norway and an exchange of experience regarding peacekeeping forces is on the agenda. Today Norway has over 700 UN soldiers in Bosnia, with Hungary as a potential field of retreat. Hungary also maintains bases for NATO, so that the alliance can keep AWACS planes in the air at all times, with radar dishes that keep an eye on everything happening in the former Yugoslavia.

We could feel a certain impatience in Defense Minister Keleti on the NATO question, but the main thing he wants is for NATO to set criteria for new members. Then Hungary could steer more of the process itself and ensure that the country meets these criteria. Some of these are known and have already been met: democracy, a market economy, civilian control of the defense forces. But then there is the criterion of no border disputes. Here, Hungary too has problems which must be clarified.

Gradual Rapprochement

While the political issues are being sorted out, there is a step-by-step rapprochement with NATO. Since December of last year Hungary's Russian-built MiG 29 fighter planes have had an American "brain"—NATO's IFF electronic system, "Identification Friend and Foe," which distinguishes between friend and enemy in potential battles. It is now programmed differently from before, changed by U.S. experts who came to Hungary. We can assume that "friend" and "foe" have changed places in the computers. "We have not become a part of NATO's integrated air defenses, which are reserved for members, but we have very important interfaces," close electronic contact—cabinet minister Keleti revealed.

The Russians?

And what do the Russians have to say about all this?

"They are 'not happy,'" the minister replied. They have threatened to withdraw the Russian operational and maintenance guarantee for 28 new MiG-29 aircraft. Hungary accepted these in 1993 in payment of a Russian debt. "But the guarantee runs out at the end of 1995 anyway," Gyorgy Keleti said—who seems to be more concerned about his Russian colleague Pavel Grachev's having postponed a visit to Budapest three times. Keleti thinks that if Hungary joins NATO, troops from other NATO countries would be able to participate in maneuvers in Hungary during "temporary stays" there.

How long is "temporary"?

"That I cannot say. But we do know that the 'temporary stay' of Soviet troops in Hungary lasted 40 years," he said with a little smile.

English

The whole Hungarian defense force is busy making the turn toward the West. English has replaced Russian as the most important foreign language, because English is the language of command and procedure in NATO. In addition there are French and German. Six hundred Hungarian officers have passed through the language laboratories. Many of them are taking courses in the West. Today there are only two officers at the general staff school in Moscow.

But does the average Hungarian want to join NATO?

"The opinion polls are clear: 46 percent say yes, 14 percent say no, while 40 percent are don't-knows. It is the politicians' job to ensure that there is a majority behind Hungary as a member of NATO," Defense Minister Keleti said.

Foreign Minister on Russia's Importance to Hungary

LD0503121195 Budapest Kossuth Radio Network in Hungarian 0805 GMT 5 Mar 95

[FBIS Translated Excerpt] [Passage omitted] Tomorrow, Hungarian Foreign Minister Laszlo Kovacs will be travelling to Moscow on a dual mission: as chairman of the OSCE [Organization for Security and Cooperation in Europe], on the one hand; and on the other hand as an illustrious representative of the government delegation headed by the Hungarian prime minister. At the end of the interview I recorded with him in Vienna, I asked Laszlo Kovacs what he thought of the fact that the Austrian Government had practically asked Boris Yeltsin to go away—in essence it withdrew the invitation to him, as though Vienna had already written off the Russian president, whereas we Hungarians were ostentatiously starting discussions with him.

[Begin Kovacs recording] For Hungary, Russia is an extremely important partner. Russia is rendered important by its political weight, by its role in world politics, by its economic potential. For Hungary, Russia remains important from the viewpoint of economic cooperation, from the viewpoint of energy supplies. Our trade amounts to over $2.5 billion. So, there are a lot of facts one could list to prove that Russian-Hungarian relations are important for us.

It was only the other day that the Hungarian parliament ratified the Hungarian-Russian basic treaty, which—with a three years' delay—the Russian parliament recently also ratified.

I believe that Hungary must cooperate with the given Russian leadership, the given Russian Government. And a government, a foreign policy, would be committing an error were it to enter into prophesies, were it to examine how stable a leadership might be considered to be. These things cannot be predicted. So, it is not possible to claim with certainty today that after "x" number of years the same Russian leadership will be in power—just as it is also impossible to say that it will not be this one that will be in power. If we waited to see how the domestic political relations develop inside Russia, then we might have to wait years for a prime ministerial meeting. Hungary cannot afford to do this. [end recording]

Horn in Moscow for 'Talks'; Will Sign Agreements

LD0603101795 Budapest Kossuth Radio Network in Hungarian 1000 GMT 6 Mar 95

[FBIS Translated Text] Gyula Horn has arrived in Moscow. During the prime minister's talks the ratified documents of the Hungarian-Russian basic treaty will be exchanged and several agreements will be signed. Gyula Horn will visit Rostov-on-Don where he studied in the fifties and where now, as head of government, he will receive an honorary doctorate at Rostov university of economics.

Military Experts Assess Situation in Russia

AU0603120795 Budapest NEPSZABADSAG in Hungarian 3 Mar 95 p 8

[Unattributed report on interview with Ferenc Gazdag, director, and Laszlo Nagy, deputy director, of the Hungarian Defense Ministry's Strategic and Defense Research Institute, in Moscow; date not given: "There Is No Place To Withdraw Further"]

[FBIS Translated Text] After the collapse of the "Legoland" that was the Soviet Union, it must be made clear that only individual elements can be used for reconstruction—Ferenc Gazdag, director of the Strategic and Defense Research Institute at the Hungarian Defense Ministry, pointed out. Together with his deputy, Gazdag has participated in a conference on Russia's relations with East Europe and the new geopolitical situation, a conference organized by the International Economic and Political Research Institute of the Russian Academy of Sciences in Moscow. Our Moscow correspondent asked the Hungarian experts primarily about military links and prospects.

Outside the conference, the Hungarian researchers also met with the commander of the Russian Military Science Academy, the staff of the Strategic Research Center, the head of one of the successors to the former Peace Research Institute, and the head of the Military Policy and Systems Analysis Center of the U.S.-Research Institute. The main lesson of these discussions is that the picture depicted by partners belonging to the professional elite is far from being uniform. According to an extreme view, the Central European countries are joining the organizations or military alliance that they want to. The other extreme view is that not only should the Soviet Union be somehow restored, but so should the zone of influence within the borders of the former Warsaw Pact.

It is difficult to tell the extent to which the decision-makers share any of these views, because, as one of the experts put it, politicians avoid experts' advice. The purely military institutions, however, are close to the camp favoring the unity of the former Soviet Union, and they refer to national interests. The experts starting purely from political conditions, however, tend to take international events into consideration and treat the issue more flexibly.

Empire Logic

It seems that, starting from Russia's immediate interest, the military doctrine regards the security policy integration of the Slav and then other former Soviet republics as essential. The political experts, however, oppose this and they clearly pointed out in the course of the discussions that there is a "huge difference" between the Defense Ministry and the Foreign Ministry regarding the essence and the arguments.

The military regards the Central European states' membership in NATO as an anti-Russian challenge and a violation of Russia's interests. At the same time, the military does not oppose Hungary's EU membership—although according to the Maastricht Treaty, membership also implies indirect NATO guarantees.

According to some experts, NATO should not be allowed to extend its borders eastward because Russia cannot afford to lose more of its position: Isolation would force it to take countermeasures. The other view, however, does not oppose NATO expansion generally. It is only against "rushing" the process. Of course, there is no precise answer to when NATO membership might be "not hasty."

In the course of the discussions, the Russian soldiers defined NATO as a military bloc led by the United States. With NATO, U.S. positions would get closer to Russia. An indirect NATO defense umbrella would not disturb the Russians if this umbrella were painted in European colors because, in this case, it would not be regarded as another defeat at the hands of the United States. There are also views that regard a relatively rapid broadening of NATO as possible if coupled with a strategic partnership to be developed with Russia. But even opponents of NATO do not have anything against broadening the EU or the WEU [Western European Union]. At the same time, the idea continues to persist that the West and Moscow should provide joint guarantees for the security of Central Europe; thus, the region would not belong to either side.

According to the "classic" argument, the fact that Russia is a global power spreading across two continents automatically also makes it a local superpower. Russia only compares itself to the United States, and other countries "do not count." However, Russia differs from the United States at least in the sense that the United States is also able to assert its interests overseas; but, if not, this does not threaten its survival. Russia, however, is a land power and regards the violation of its interests as a deadly danger.

There is a certain logic in this empire ideology, but it is important to differentiate between the actual threat and the feeling of such a threat. Fear does not need an actual threat. It is sufficient for someone to regard something as a threat, and he will immediately react accordingly. The Russians feel threatened strategically, and this is gradually making them believe that everyone is an enemy. If a country feels threatened, it will act like someone who is afraid. This can lead to a very dangerous psychosis.

Who Threatens?

As far as we know, no one wants to threaten the Russians; and everyone, including Hungary, is trying to find a framework in which Russia also feels good, or at least finds its place and does not slide into an extremist position. The Russian leaders have found it most difficult to cope with losing the role of empire and superpower. One can sometimes hear that Russia lost a geostrategic region, and it misses this a lot in trying to compare itself with the United States. But Russia does not only think in these two poles; instead, it says it must simultaneously watch China, the Islamic world, Europe, and the United States. If the United States advances further, Russia will lose the chance to assert its interests in other directions too—chances that are already limited. In other words, according to the well-known slogan, "There is nowhere to withdraw to."

Nor are the signals coming from the outside world—and primarily Washington—uniform. In many respects, these signals confirm that the outside world continues to regard Moscow only as a strategic partner—for two reasons: On the one hand, at the moment, Russia possesses the world's second largest nuclear arsenal. These weapons exist, and in strategic matters, the important thing is who is capable of what. On the other hand, there is chaos there, and this is a good opportunity for blackmail—namely that the situation emerging in the wake of domestic political chaos could be a destabilizing factor in world politics. These arguments are prompting the U.S. leadership to send some signals that Moscow consistently misinterprets and regards as a recognition of Russia's Great Power status, because the reflexes of empire-thinking and the bipolar world are still present in Moscow. However, among the means of asserting Great Power interests, Russia possesses only military power, of which it is most difficult to make use.

Talking about the crisis in Chechnya, the method chosen to solve this problem was a serious setback in relations between the former Soviet republics, and Russia's prestige suffered considerable damage as well. The fact that, for quite some time, Russian land forces were unable to conquer a medium-size town has nothing to do with the fact that Russia is making maximum use of the amount of nuclear weapons allowed by international agreements. And looked at from the United States or England, it makes no difference whether the land forces can take Grozny or not. For a long time, the West has ceased to fear a Russian attack across the Rhine or an assault on Paris. But the currently "neutralized" missiles on board Russian submarines can be reprogrammed very quickly.

The Officers' Will

The fact that, partly because of political circumstances, the conventionally armed Russian Army proved to be weak and scattered in Chechnya did not lead anyone to the conclusion that the Army is not suitable for its role. However, an indirect lesson can be formulated: There is even less danger that the Russian Army might try to force the integration regarded by some politicians as the way to advancement. Therefore, Central Europe does not have to fear a possible military invasion to restore the Russian sphere of interest in the region.

The balance can be maintained in this way for some 10-15 years. If Russia gets on its feet economically, consolidates, and feels the need for it, it can partially renew its military industry complex in a relatively short time, to an extent dictated by world politics. The lesson to draw from this is that one should not send ambiguous signals that cause them to mobilize their resources. NATO is trying to avoid such signals.

Chaos and the threat of military dictatorship are interrelated. A given level of "disorder" automatically triggers the deployment of the only force apparently capable of establishing order. However, it is not sure that this force is really suitable for this, because the army is made up of uniformed citizens, and the officers also live in Russia. In such societies, among the officers there is always some sort of readiness to interfere so as to establish order and do the job, instead of "idiot" politicians.

Better EU Terms for Food Exports Sought

LD0303163695 Budapest Kossuth Radio Network in Hungarian 0600 GMT 3 Mar 95

[FBIS Translated Excerpt] Hungary asked Austria's help to improve the chances of Hungarian food exports on EU markets. Peter Zentai reports from Vienna:

[Zentai] Hungary has sent a memorandum to EU member-states in order to eliminate the disadvantages suffered by Hungarian agricultural exporters. This was said by Istvan Major, director general at the Ministry of Industry and Trade, who personally handed over the memorandum to the Austrian Ministry of Economic Affairs. [passage omitted]

At a time when Austria was not yet an EU member, Hungary succeeded in negotiating with Austria the kind of export and import quotas that allowed strong growth in the agricultural and food industry. However, when Austria joined the EU, the Union did not accept these quotas and compelled Austria to reduce, for example, poultry imports from Hungary. Budapest replied by reducing the sale opportunities of Austrian breweries on the Hungarian market.

Istvan Major said that he is lobbying Vienna to persuade Austrian politicians that it is in their country's own interest to argue the Hungarian case in Brussels.

Official Says Minorities Will Not Be Betrayed

LD0403125595 Budapest Kossuth Radio Network in Hungarian 1100 GMT 4 Mar 95

[FBIS Translated Excerpt] [Announcer] State Secretary Ferenc Somogyi, who has left for Bratislava, gave me an interview a short while ago.

[Begin recording] [Announcer] What were the most disputed issues during your talks with Slovak State Secretary Jozef Sestak yesterday?

[Somogyi] Issues also concerning the essence of the treaty, the approach to the whole concept.

[Announcer] Your answer suggests that perhaps no Hungarian-Slovak basic treaty will be concluded by 20 March. [passage omitted]

[Announcer] At yesterday's session of the World Federation of Hungarians the Hungarian parties in Romania and Slovakia adopted a joint statement in which they called on to those who are to sign the treaty to guarantee the rights of minorities for public administration autonomy. Is it possible?

[Somogyi] We have consistently represented the position that minority rights meeting the European norms should be guaranteed in the treaty, and we expect the Slovak side to share this position.

[Announcer] You eluded a clear answer. I repeat: Can you guarantee the minority rights for public administration autonomy?

[Somogyi] The Hungarian Government consistently demands that everything that can be accommodated in the European norms and standards be included in the treaty.

[Announcer] Laszlo Tokes, honorary chairman of the Hungarian Democratic Union of Romania [HDUR; in Romanian, UDMR], said that the HDUR will not accept the basic treaty if it restricts the organization of minority local governments. What is your stand on this?

[Somogyi] I want to reassure everyone that the government is not preparing to betray the minorjties abroad.

[Announcer] Is it possible that if the state secretaries fail to agree, perhaps the foreign ministers, or even the prime ministers, will hold personal coordination discussions on the Hungarian-Slovak basic treaty?

[Somogyi] It is possible. We concentrate on two important things: to do our utmost to create a basic treaty before the Paris conference; and the other thing, which is even more important, is that a good basic treaty should be created. [end recording]

KDNP on Ties to Germany's CDU, Economic Policy

LD0303135195 Budapest Kossuth Radio Network in Hungarian 1100 GNT 3 Mar 95

[FBIS Translated Excerpt] The Christian Democratic People's Party [KDNP] has briefed journalists about its relations with German Christian Democrats and the 25-point program of Lajos Bokros, the newly appointed finance minister. Levente Sukosd reports.

[Sukosd] The social-market economy created in Bavaria has no real alternative in Europe. This is the conclusion the KDNP leaders reached, following their participation in a CDU [Christian Democratic Union] political rally in Passau on Ash Wednesday. [passage omitted]

KDNP chairman Gyorgy Giczy said they observed several things the implementation of which in Hungary would be a good idea. He said privatization is being carried out in Bavaria, too, but there, in contrast to Hungary, virtually all the revenue received from it is used to develop culture and education. The Bavarian CDU does not wish to interfere in Hungarian domestic politics, but the creation and strengthening of Christian democracy in Hungary is in the party's interest, and it would support this aim.

KDNP executive chairman Tibor Fuezessy said that the property tax planned by the finance minister is very misguided because it would punish the wealthy, the well-to-do citizens. [passage omitted] However, he said that the KDNP's own property tax proposal as formulated in the party program is rational, because under that proposal, taxes would be levied only on properties and assets that have been built up from incomes whose sources can hardly be verified, if at all.

Keleti on NATO, Serbia, Defense Doctrine

95CH0154A Budapest MAGYAR NARANCS in Hungarian 9 Feb 95 pp 6-7

[Interview with Hungarian Defense Minister Gyorgy Keleti, by Istvan Bundula and Jozsef Makai; place and date not given: "Staff Culture and the Actual Troop Command—Defense Minister Gyorgy Keleti"]

[Text] [MAGYAR NARANCS] Obviously, our first question is, what are our chances of joining NATO?

[Keleti] We must consider here three conditions: how willing NATO will be to expand, what the Hungarian government's attitude with regard to joining will be, and whether the necessary financial means will be available. As far as Hungary is concerned, we are determined to join: all political parties in the parliament are in agreement regarding this issue, and I believe that NATO, too, is taking our intention very seriously. At the same time, there are a number of unclarified issues, which will hopefully be resolved soon, e.g., the kind of concrete requirements that will be set for the armies of candidate countries until the period of admittance to NATO. Of course, we are trying to anticipate events, continuously trying to implement certain changes, most of all in the area of compatibility and the organizational structure of the military. These have serious effects on cost, but for the time being, the most important thing is that the Republic of Hungary has signed the related documents, i.e., its first program of individual commitment. It was approved by NATO, and we are committed to implementing it.

[MAGYAR NARANCS] What does the term military compatibility mean?

[Keleti] This is a key issue. I would like to note immediately that I do not think NATO necessarily expects us to change the infantry weapons of the Hungarian Army, for instance, because there are several types of infantry weapons even within NATO. So, it is not this area in which we must be compatible.

[MAGYAR NARANCS] Is it structure, then?

[Keleti] I would say not even that. If we look at NATO's member-countries, we see various military structures among them. I think compatibility means something else. One is mentality, which is perhaps the most important thing; setting up the conditions for contact, e.g., the learning of languages, should be included. We have great achievements in this area. Language courses have been available for years, and our officers frequently visit the West—not only NATO countries but others as well—participating in seminars and being exposed to various points of view. The other thing that is also very important is air control, the issue of controlling airspace—in which we must surely be compatible. This involves not only military air control but also civil air control, i.e., we do not want to set up a structure that is different from that of NATO. Obviously, Hungarian civil and military aviation cannot be separated from each other because we fly not only within Hungarian airspace but everywhere. Airspace control—which also involves intelligence, command, and related issues—is another very important matter. Of course, there will be strict military requirements in the future as well, e.g., in the area of staff culture.

[MAGYAR NARANCS] What does that mean?

[Keleti] For instance, when a NATO officer and a Hungarian officer put their maps next to each other, they write various symbols and the location of their troops, thereby signaling their intentions to one another. The system of the Warsaw Pact was different from that of NATO. The joint British-Hungarian exercise last fall demonstrated that there are differences in the areas of staff culture, military planning, and concrete troop command that would hinder cooperation in case we were admitted to NATO.

In summary, then: Our future admission will depend not on the different types of tanks, armored combat vehicles, or submachine guns we have, but rather on our attitude, our command, our air control, and the cooperation between officers. Of course, it is also important for us to adopt some of their modern technologies, which would allow us to remain continuously up to date in this area as well.

[MAGYAR NARANCS] What happens if we cannot join NATO after all? Is the Hungarian leadership looking for other security guarantees as well?

[Keleti] That is a good question, which has not yet been raised this way. I think the security guarantees will still be the same as now, and of course the processes that will have to be strengthened will be the same as what we are pushing for now—in other words: the development of good relations with our neighbors, the diplomatic promotion of a security policy, and the development of the armed forces.

[MAGYAR NARANCS] Are the present guarantees adequate? Especially in view of the fact that a medium-sized regional power is in the making along our southern borders, more or less with the blessing of the great powers.

[Keleti] I do not know what regional military power you are referring to.

[MAGYAR NARANCS] Great Serbia.

[Keleti] I would not think of Serbia as a military power, not even regionally. What we usually say is that the Hungarian Army would be able to guard Hungary's sovereignty against an enemy of comparable strength. Strength that is comparable to ours is determined by the weapons and the size of the army, and obviously, the moral attitude of the troops is also significant. Of course, rump Yugoslavia must be evaluated differently in such a special situation—to put it mildly—than in peacetime. Rump Yugoslavia's army is now stronger and better equipped as compared to peacetime. But, in a special situation, the Hungarian Army would also be different than it is now. At present, Ukraine is the only nation in our region that is stronger militarily than we are. The military potential of the other countries is comparable to ours—but I repeat that one must differentiate between the army of a special situation and a peacetime army.

[MAGYAR NARANCS] One often hears about the extremely friendly relations between the Romanian supreme command and the Hungarian supreme command, for instance. How does this look in reality?

[Keleti] We have signed agreements of cooperation with our neighbor countries in the region, with the exception of Serbia and Croatia. These are documents that are signed annually because of practical issues concerning their implementation. Why must there be good relations between two armies? Because military trust is a key issue. A lack of it, i.e., military distrust, may create a sense of danger, which may result in considering another country, if not exactly an enemy (in this region, we affirmedly do not consider anyone an enemy, and no country has such indications toward us), as one whose military is not entirely predictable. Thus, distrust may create tensions. For instance, a new bilateral military agreement, i.e., the first after the collapse of the Warsaw Pact, was signed in 1991 with Romania. This was an interportfolio agreement, and we sign its military ramifications annually. These [agreements] include very concrete tasks, e.g., this year we continue with the cooperation called Open Sky, which is nothing other than a license for both countries to take aerial photographs in the other country's airspace and then to jointly evaluate these photographs so that both parties can see whether a given military unit is located exactly where it was reported by the other country (this must be reported in Europe at present). This is mutual. In addition, we participate in various joint exercises, and thus we will invite the Romanians (a particular subunit) to an exercise in Hungary. Of course, they will reciprocate with a similar invitation. We also decided to send Hungarian soldiers to Romania—not for an exercise but for training; in the same way, Romanian soldiers come to Hungary and at one of the bases participate, together with average Hungarian enlisted men, in carrying out specific tasks related to training. It is being planned to have Romanians come to Hungary for an armored firing exercise, and for us to go to Romania for a firing exercise in Romanian airspace. This is much, much more than a simple gesture, and I think everyone would believe that this—i.e., the fact that aircraft displaying Hungarian markings will hold firing exercises in Romanian airspace—has political ramifications.

[MAGYAR NARANCS] This also raises the question to what extent the Hungarian staff is capable of influencing day-to-day politics. For instance, does it undermine trust when, inspired by day-to-day politics, the Romanian Army increases its strength in Transylvania and holds general exercises there?

[Keleti] Yes, there was an exercise in Csikszereda which, to my knowledge, was conducted, unfortunately, not so much with a military purpose but, rather, for propaganda. There were religions festivities there at the time when low-flying helicopters and aircraft roared overhead. However, when we visited Romania the last time, it was in Csikszereda where the Romanian minister promised the local mayor that no such exercises would be held in the future. Of course, military cooperation is not as simple as this. It is no use making an agreement with the Romanian minister on the number of soldiers coming to Hungary and going to Romania for training if the legislative bodies do not give their blessings. It will be a real breakthrough if the Romanian parliament approves this kind of an unprecedented cooperation. We will reconcile these texts together with the Romanians in the near future, as the constitutional provisions for deploying armies abroad or allowing foreign soldiers to enter are similar in both countries. The legislative decisions will provide an answer to the question whether this plan is merely the result of the good relations between the two defense ministers or whether they have the political backing to make the implementation of this plan possible.

[MAGYAR NARANCS] The last time you were in Belgrade, certain Belgrade sources claimed to know that you requested a guarantee for nonretribution against Vajdasag [Voivodina] Hungarians who return after having fled to Hungary.

[Keleti] It is true. What we said was that the Yugoslav-Hungarian military relations and the relations between the two ministries and the two armies must be strictly integrated into the general political relations between the two countries. Accordingly, I listed the issues that were of concern to the Hungarian leadership in that situation and at that time. They included the subject you mentioned as well as issues related to navigation on the Danube and the exit fees required at the border. We thought it was important to make it clear that the issue here is not merely cooperation between two armies but rather Serb-Hungarian relations. Of course, we made agreements related to the military as well, e.g., both parties pledged self-restraint in the areas of airspace control and flights in the border region—namely, that neither will fly within a specified border zone and that if one party in fact would, that party would notify the other party through the appropriate lines of communication. We agreed verbally that all this will be put into writing. This is extremely important from the aspect of Hungary's national security.

[MAGYAR NARANCS] Where and when will this be signed?

[Keleti] At present, this issue is in its preparatory stage in the parliament. It is an international agreement, and although I could sign it with government authorization, only the parliament can ratify it.

[MAGYAR NARANCS] So you cannot give us a time.

[Keleti] The reason why I cannot is that, although the Defense Committee has already been informed about this and has taken the initial steps, we all know that the parliament's agenda was determined by the budget at the end of last year. So, the schedule of dealing with this issue will be determined only now.

[MAGYAR NARANCS] Would you say something about Hungary's post-Warsaw Pact defense doctrine? Are you planning to change the basic principles of national defense?

[Keleti] Hungary's new defense doctrine materialized in 1991. In 1993 parliament approved the so-called basic principles of national defense which include this defense doctrine. National defense is one of the issues on which we must have a nonpartisan consensus. The former parliament almost unanimously approved the principles of national defense, which we do not want to change much. Any possible change would be related to a so-called reform of the Armed Forces that we want to implement. Conceivably, some (presumably few) of these organizational changes may involve the basic principles of national defense.

Incidentally, the essence of [these principles] is that the Army's function is limited to guarding our country's sovereignty and that we have no enemy image, no proclaimed enemies. For this reason, Hungary maintains an army that is structured and equipped solely for defense, but it must also be made capable of repelling any possible aggression. This is not contradicted by our government program, in which we state that foreign policy and diplomacy are the most important means of national security and that the army shall be used only as a last resort.

[MAGYAR NARANCS] You mentioned the reform of the armed forces. What are its most important aspects?

[Keleti] There are many most important aspects but I will mention only two. One is the question as to when we can begin with technological development. I really hope we will satisfactorily resolve certain technical issues of vital importance, perhaps sooner than expected by the public. The other is the question as to when we can change our army's structure—which is a function of the source of dangers for the region's security—to make it an army of substantially reduced manpower that would be possible to change to a professional army in a subsequent phase of development. Of course, even in that case, we will still have to resort to society's obligation to participate in national defense in the event of a national emergency.

[MAGYAR NARANCS] Something else: According to our information, you supported the government investigation of the HungarHotels affair.

[Keleti] That is correct.

[MAGYAR NARANCS] Was it only the press that made you appear very decisive in the matter?

[Keleti] I told the press that if professional complaints are raised at an agency that is implementing privatization, then their personal consequences must be drawn. It is possible that I am somewhat more decisive when I talk, for this is what one learns in the military, but I think that everyone must bear some personal responsibility in issues of privatization. He who makes a mistake must draw the appropriate consequences. This does not necessarily mean that he has to leave, but he must somehow evaluate his former actions.

[MAGYAR NARANCS] In your opinion, was Ferenc Bartha's dismissal a consequence of drawing the appropriate consequences?

[Keleti] Ferenc Bartha's dismissal was based on a mutual agreement. Obviously, mutual agreement means that Ferenc Bartha agreed to his dismissal. I was not familiar with the circumstances; [I do not know] whether he initiated it or simply agreed when someone else initiated it.

[MAGYAR NARANCS] Are you satisfied with the results of the investigation?

[Keleti] Privatization is a key issue. In this year's budget we are expecting revenues from it amounting to 150 billion forints. A critical economic situation may arise if this fails to materialize. In other words, every forint counts in every act of privatization. Even the experts said, in this particular case, that the transaction was not based on the hotel chain's real value. The investigation by the team of the Office of the Prime Minister corroborated this. This is one of the issues. The other issue is that we promised during our election campaign—and would like to live up to our promise—that in privatization (which means the selling of state property) we must strive by all means to sell everything at the highest possible price, even if the market does not always make this possible. I am not contesting Ferenc Bartha's argument that there is no real market for hotels here in Central Europe. But then we must be even more careful in determining the selling price.

Oleksy, Walesa in Agreement on Ministers

LD0303120095 Warsaw PAP in Polish 1141 GMT 3 Mar 95

[FBIS Translated Text] Warsaw, 3 Mar—After his return from the Presidential Palace, Prime Minister-elect Jozef Oleksy told journalists that he accepted the candidacy of Zbigniew Wojciech Okonski for minister of national defense. He added that the coalition had no objections to the candidate but that it did object to the way he was put forward by the president.

Oleksy said that he is ready to deliver his expose this afternoon and to begin the procedure of hearing the candidates for ministers.

Asked whether the president had promised that the government would be sworn in, in the composition presented to him, Oleksy replied: "The matter of swearing in the government is not a question of promise, but a question of constitutional obligation." Oleksy also said that he had consulted the president about the three candidates and that agreement had been reached.

Cimoszewicz Not Listed as Candidate for Government

LD0303130795 Warsaw PAP in Polish 1247 GMT 3 Mar 95

[FBIS Translated Text] Warsaw, 3 Mar—A PAP journalist has learned from reliable sources that the name of Wlodzimierz Cimoszewicz [former deputy prime minister and justice minister] is not on the list of candidates for the new government. His post of justice minister is to be taken by Jerzy Jaskiernia. Cimoszewicz may stand for a post in the Sejm Presidium as deputy speaker.

New Defense, Interior, Foreign Ministers Approved

LD0303135595 Warsaw Radio Warszawa Network in Polish 1300 GMT 3 Mar 95

[FBIS Translated Text] [Announcer] On his return from the presidential palace, Prime Minister-elect Jozef Oleksy told journalists that he accepted the candidacy of Zbigniew Wojciech Okonski for minister of national defense. He added that the coalition has no reservations about the candidate but it does have reservations about the method in which he was proposed by President Lech Walesa.

[Correspondent Wanda Pawlowicz] When asked why he agreed to Zbigniew Okonski [as defense minister], Oleksy said that he felt it was proper. He added: So far we have had doubts about the methods in which this candidacy was proposed. However, in the present circumstances I have accepted this candidacy. This is usually the case when something has been agreed and decisions are made. I see no sensation in this.

Jozef Oleksy also confirmed that he will present his program today and the hearing of candidates for ministers in Sejm commissions will begin today.

This is Wanda Pawlowicz for the [Polish radio] First Program.

[Announcer] Jozef Oleksy added that two remaining candidates for ministers of the so-called presidential ministries were also agreed. Andrzej Milczanowski will remain the minister of internal affairs. Professor Wladyslaw Bartoszewski, currently Poland's ambassador to Austria, is to become the minister of foreign affairs. Prof Bartoszewski confirmed that he accepts the proposal to take part in the new government.

Oleksy Outlines Government Program to Sejm

LD0303192495 Warsaw Radio Warszawa Network in Polish 1444 GMT 3 Mar 95

[Speech by Polish Prime Minister-elect Jozef Oleksy to the Sejm in Warsaw—live]

[FBIS Translated Text] Mr. Speaker, may it please the house. Poland needs efficient and effective government. Immediately, without wasting time, we must implement the program that won public support in the parliamentary elections in 1993.

I have accepted a proposal by the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] to stand at the helm of the Council of Ministers and to accept responsibility for its work. I have undertaken this task with a feeling of urgency to prevent a political conflict and to stop disputes between politicians and the bodies of power. These disputes undermine opportunities for Poland, and their further existence can have a dramatic impact on the people's living conditions. I have accepted this task with a strong will to remain true to the provisions of the Constitution of the Republic. The good of the homeland and the well-being of the citizens is and will remain my key operational imperative. [applause]

I have been holding many talks and consultations in recent weeks. I have been participating in a difficult but honest and creative process of reflection, carried out by the PSL-SLD coalition. It allowed me to become convinced that the new government will be able to perform efficiently the tasks ahead. I declare my will to lead the government so that it will enjoy the confidence of not only the two coalition partners. As the chairman of the Council of Ministers, however, I will be demanding and resolute. We are not in government for ourselves, for the coalition, but for the good of the public, which expects their problems to be solved, and for the state, which needs stability and development.

Waldemar Pawlak's government ended its task because that was the will of the parliamentary majority. It is true that a significant proportion of the factors conditioning the present situation lay outside the previous Council of Ministers. This cannot be an obstacle, however, to an urgent and sensible removal of all the things that were the subject of criticism for the outgoing cabinet. By restructuring the government, the coalition does not deny the program its has been implementing so far. It has not lost public support. We want to give its implementation new stimuli and dynamics. The need to resort to an extreme instrument—such as a vote of no confidence—in order to carry out this restructuring results from the lack of any other possibility to carry out effectively the change that Poland needs.

May it please the house. Poland is rising from a social and economic crisis. First and foremost, this is possible thanks to the wisdom and efforts of the people, thanks to all those who took the financial and practical risks that accompany the pursuit of economic activity, thanks to those who work hard and suffer sacrifices with forbearance. It is possible thanks to all those who, regardless of the difficulties and adversities, are strengthening the structures and methods of work of self-government, who are coauthoring the institutions of a civic society and defending the interests and principles of a democratic, law-governed state.

The PSL-SLD coalition, through its practical actions, has confirmed that democratic and free market reforms in Poland are an irreversible process. All successive governments of the last five years have made their contribution toward creating the conditions for the development of the republic. It is their cumulative achievements that today provide good opportunities for Poland's future. This fully applies also to the government led by Waldemar Pawlak. During the last several months, it made a considerable effort to make the reforms serve the people, pursuing a fair distribution of the costs of the changes and wanting to ensure equal opportunities in life for everyone and to create the basis of vital assistance for those who find themselves in particularly difficult conditions. I thank Waldemar Pawlak for his toil of 15 months of running the government. [applause]

This government and the coalition forming it have not been spared criticism. This criticism by the opposition is natural and desirable in a democratic system. We should agree with some of it, mainly concerning the insufficient informing of the public, the lack of reaction to public censure against members of the government, and the delaying of some decisions. We have responded to unfair censure, and we will continue to do so. I want to state here that there are many people among opposition politicians who have made outstanding contributions to democracy and the processes of reforms in recent years. I would like them, as the opposition politicians, to remain well-disposed and competent architects of a modern Poland—the common good of all Poles. I declare my openness and the will for dialogue and cooperation with the opposition.

I would like to remind you that this coalition, while implementing the election program, has introduced, among other things, a mechanism of tax allowances for creating new jobs and making new investments, a fund of credit guarantees to assist new investors and the privatization of small and medium-sized enterprises, a substantial increase in resources for promoting exports, reserves for regional restructuring programs, and many others. We have recorded a further growth in the gross national product. The development of the private sector is continuing. The rate of inflation has been reduced. Exports have increased, and the balance of trade has improved. The collection of taxes and tariffs has improved. The budget deficit is under control, and we have managed to clear some enterprises' debts. The promise to depart from strict wage controls in state enterprises has been kept, together with the introduction of a system of negotiations between employers and employees.

The PSL-SLD coalition has succeeded in bringing to a conclusion the negotiations with the London Club and the Paris Club on the reduction of Poland's foreign debts, which had been started by our predecessors.

These are the facts perceived by objective observers and commentators. They do not, however, exhaust the social reasons and challenges for which we set up the coalition. Criticism from the presidential office was of a specific nature. There is no time to take issue with it. I hereby stress once again, on behalf of the coalition, a desire for partnerlike cooperation with the president in the interests of the Polish Republic and its citizens. The way in which we arrange mutual relations will favor either the Polish state imperative, unnecessary clashes, or conflicts at the top, which are not accepted by the people. Poland's good image in the world and the success of Polish reforms depend on good, matter-of-fact cooperation between the president and the Government of the Polish Republic, both in the legislative processes and in foreign affairs.

On behalf of the newly appointed government, I want to make it clear that it is not the coming or subsequent elections, but the current and next generations on which we want to focus our actions. This is our offer of cooperation. [applause]

May it please the house. The current restructuring of the cabinet, connected with programmatic, organizational, and structural decisions, will make it possible for the government to perform its constitutional duties and implement more effectively the expectations and needs of society, as well as national aspirations. Although these are well known, they are well worth recalling. People want to live in peace. They want political life to proceed in keeping with the constitutional timetable. They want the authorities to cooperate in the interests of the citizens and not be in competition to win their support by arguing and disputing about who is more important and who understands better the provisions of the laws.

People in Poland want economic growth. They want Polish enterprises to manufacture more and better goods. They know that, for many, this is an opportunity to get a job, and for those who already have one to receive better pay and greater satisfaction when they spend the money. They expect that their pensions, earned in the past, will not be losing their worth every month. People want to be certain that they do not have to live and work in fear of ordinary and economic crime. They want to know that they will safely return home from work, that they will not be robbed or attacked, that they will not be forced to pay protection money and share their income.

Businessmen rightly expect clarity and permanence of the tax system, access to relatively inexpensive credits, and safety of their deposits in the banks. My government is going to gradually meet these expectations. [applause]

May it please the house. The changes proposed today will confirm their significance when they start to have a positive impact on the lives of millions of inhabitants of Polish towns and villages. This objective is closely linked with the main goals of the economic and social policy, which were confirmed recently by the PSL-SLD coalition. They are: further economic growth; the defense of the country's economic sovereignty; the adaptation of the Polish economy, including agriculture, to European standards; market-oriented economic reforms; a rise in the international competitiveness of Polish goods; and the minimalization of the social costs of development. These are not only plans and announcements, but also concrete institutional solutions ready for implementation, including the well-known Strategy for Poland. Some of them already have a grounding in the form of legislative acts, which either have reached the Sejm or will reach it in the coming weeks or months. The remaining solutions are connected with the government's long-term work, going beyond the current year, as they can only be implemented in such a term. Conditions for immediate and scheduled work on these will be created once the house approves the new government.

May it please the house. The maintenance of permanent economic growth and institutional and macroeconomic stability require the financial policy of the state to be carried out with full determination and rigor. Budget discipline will be maintained even if unexpected needs arise. Active counteraction to unemployment will remain a priority, especially with regard to high school graduates. Many instruments, which are already in force, will be supplemented among others with a possibility of insurance against unemployment.

We want to meet the challenge that results from the fact that Poland is going to contribute as much as 40 percent of the increase in employee potential in Europe over the next 15 years. The privatization program will be implemented consistently. Mechanisms will be set in motion that will allow privatization processes to take place in strict relationship with the fulfillment of the state's outstanding obligations toward the citizens, including the obligations that result from the need to solve the problem of reprivatization with respect to property taken over in circumstances that violated the law, as well as those that result from Constitutional Tribunal rulings.

This year we will prepare the entire legal infrastructure for the institution of the state treasury. We will attribute fundamental significance to the actual implementation of mass privatization. The program of National Investment Funds will be speeded up and expanded. We also want to propose that some of the resources obtained from the privatization of state property should go to special funds. The purpose of these funds will be to strengthen the basis of financing the health service and the pension systems and to gradually make them independent of the state budget. That is how we see real enfranchisement of the public.

Economic effectiveness is strictly linked with the existing infrastructure. We will improve the transport system, also within the program of highway construction. The telecommunications development program will be continued. Reforms in the field of housing construction finance and municipal economy will be completed. We will treat everything that is happening in these fields as an important means for improving the people's living conditions and an instrument for fighting unemployment.

Equal opportunities will be created for all who pursue economic activity. The measures that will work toward that end will include attention to the introduction of a system of public tenders, new draft regulations on conflicts of interests in politics and in the economy, and a resolute counteraction to monopolistic practices in the economy.

The government will consistently support structural changes in agriculture and in the countryside.

Their costs cannot be a burden to the residents of the countryside alone. Our determination in this respect does not result from the fact that the government's political background includes a peasant party. It results from our belief that no progress can be achieved in Poland without improving the production and service activities in agriculture, and without improving the standard of living in the Polish countryside. [applause]

We see as urgent the settlement and solution of problems connected with the perception of social security in the countryside and the creation of mechanisms that will ensure the profitability of our agricultural production and the progress and civilizational development of the rural communities. This government will protect equally the interests of producers and consumers of food.

May it please the house. Continuing development is not possible without a comprehensive reform of the public services sector in the widest sense, without the preparation and implementation of new institutional solutions in the fields of social insurance, health care, culture, education, science, higher education, and physical development. In many of these fields, proposals for the necessary changes are ready. We will focus on providing these processes with decisively greater dynamics, while remembering that special judgment is required here as this concerns the vital interests of millions of people. Here we must not make mistakes. The basis of action in this respect will be attention to the comprehensive nature of the reforms and a gradual fashioning of mutually complementary systems of social insurance, social provision, and social assistance. Their self-financing will be accompanied by the principle of state-guaranteed basic benefits. The resources are limited, and they must get to those most in need. The principles that apply here should be clear and understandable to everyone.

In implementing the reform, the government is going to take into consideration the interests of disability and old-age pensioners, both of today and of the future. We are resolved that, in resolving the issue of the indexing method, the purchasing power of disability and old-age pensions should be protected irrespective of the economic climate .

We intend linking the solution of the indexing method closely to the decision about tax solutions necessary for the creation of enterprise and industry pension plans and bank pension accounts. In all these matters, we are counting on a wide, factual debate characterized by responsibility for national matters.

Within the next few months, the government will send to parliament the assumptions of a comprehensive social insurance reform. The reform will include the aforementioned conception of national pension funds established from some of the resources held by the State Treasury that resulted from the work of the generations of today's old-age and disability pensioners.

In fashioning a new system of health service, we will finalize the work on the preparation of an integral design of a comprehensive system of health insurance. We will work out principles of accounting and the financing of the health service based on the flow of resources after the patients. The fundamental components of change will also include a continuing transfer of basic medical care along with resources to local self-governments, a system of family doctors, and a medical services market based on contracts. This should bring about an improvement in the quality of health and preventive services and in the health service workers' pay.

We will treat everything that serves man's development—his skills, knowledge, and health—as the most profitable investment. This will be confirmed during the course of the elaboration of operating conditions for the budget-financed sector in 1996. We want to prepare these areas for reform with respect to their organization and financing, and for more efficient operation, among other things, through changes in the act on the education system in order to link schools more closely with local self-government. A draft for rationalization of the principles of organization and financing of science and higher education will be presented. A new system of cultural patronage, including libraries and museum institutions, will be worked out.

Wide social understanding is necessary to carry out all these reforms. The lack of this understanding in the past five years has resulted in delays in transformations and modernization of the social services field. Agreement in this matter is possible only when these reforms are excluded from this year's political campaigns. This is a task for the government, but it is also a question to the constructive opposition. Will it want to support reforms in the interests of not only the present but also future generations? Will it be in favor of separating the reform process from the current struggle and political games?

The law on collective labor agreements, passed last year, as well as amendments to the Labor Code, which have already been submitted to the Sejm, are putting a limit on the role of the state in fixing relations connected with employment. The leading role is taken by the social partners, as well as the system for negotiating collective agreements. More legislative initiatives, including the Trilateral Commission for Socioeconomic Affairs, will strengthen this tendency. Seeking the trade union and employer organizations' advice and opinions about all of the most important employee issues will become a permanent practice.

May it please the house. We will treat the increase of security of our citizens and economic turnover as our duty. Work on draft amendments to codified solutions, including a new Penal Code, will be concluded. Changes will be made in the system of the functioning of the bodies for the protection of law and order. Their aim will be to make law enforcement more effective. Inevitable and speedy punishment must be one of the basic elements of crime prevention. New organizational resources in the police force are necessary; these will be tackled by the new chief commandant. Prompt decisions are required here, and the lack of equipment and resources must not be an impassable barrier. It is the offender and not the citizen who should feel under threat. Citizens' security.... [applause] Citizens' security is linked in an unequivocal manner with the security of the state.

Poland is a subject of intelligence activities by foreign states today. It is a transit territory in the drug trade. It is a place of money laundering and intensifying activities of international criminal groups. All this requires coordinated activities that can be undertaken only by well trained and properly equipped state services with appropriate powers.

The expectation of a strengthening of civil rights guarantees are justified. Actions will be taken that will aim to provide practical guarantees of women's, children's, and family rights, introduce legislative protection of personal data, prepare the basis of the protection of consumers' rights, new regulations in the act on state secrets and amendments to the press law. The government will treat with the greatest attention the views formulated by the ombudsman.

In the interests of the country, with full respect for the constitutional principles of freedom of conscience and equality of religions, we will protect the good relations between the state, which is neutral in matters of religion, the churches, and religious associations. It is obvious that the churches and religious association, which are independent and autonomous in their religious and social missions, do not participate in political power in the state. This, however, cannot be an obstacle to cooperation in common interests. The government will do its best so that there is no unnecessary delay in establishing the conditions for the house to make resolutions connected with ratification of the concordat.

May it please the house. Our objective will be Poland's sovereignty, independence, and integrity. We express our resolute will for full integration with the European Union and NATO, and for using the opportunities resulting from the Partnership for Peace program. I want to declare clearly and firmly that our intention is to continue the strategic line of foreign policy defined after the demolition of the Berlin Wall and the ending of the Cold War—the line of European and Atlantic orientation and of striving for friendly bilateral and multilateral relations.

This strategy does not belong to any particular coalition or political group. It is a choice of our public, which is what decides about its strength. I interpret Poland's membership in the European Union, the Western European Union, and NATO as a part of expanding the area of security and stability. Our aspirations directed toward this are not aimed against any other state.

We intend to treat in a similar manner the preparation and substantiation of a program of cooperation with neighboring states, as well as the strengthening of cooperation in the region of East-Central Europe and the Baltics. Good relations and mutually beneficial cooperation with all our neighbors already constitute a fundamental guarantee for our sovereignty today, for Poland's political and economic placement. They are a great achievement of our people and an important contribution that we are making toward the construction of the new European order.

We pay particular attention to the development of political, economic, and cultural relations with the United States of America and with Russia. Striving to integrate with Western structures, we intend to increase our activity in other parts of the world—in relations with the states of the Mediterranean basin and the Persian Gulf, with all (?OPEC) countries, and with the Latin American states.

Our priorities include effective support for Poles resident abroad in securing their rights and in contacts with their homeland.

We will attach much importance to the implementation of disarmament obligations and Poland's participation in international confidence and security building. At the same time, the government will bear in mind that good relations abroad and Poland's international position is determined by the stability, the level of development, and the cooperation inside the country.

With respect to defense, we will treat as fundamental the guarantee of civilian and democratic control of the Army. We attach fundamental importance to the preparation of a national security strategy and the establishment of associated relations between the national economy and Polish science and the defense system and its potential.

May it please the house. I strongly believe that a necessary condition for the realization of government tasks is a clear prior definition of the state's political strategy and vision and an appropriate philosophy of action.

I do not conceal the fact that I see many shortcomings in this field. I consider it my duty to the house to present my position clearly with respect to these issues. I treat as an obligation the announcement that all programmatic and organizational solutions in the government and its administration will be subordinated to the truth that the state is for the citizens and not vice versa. [applause]

This truth will set the direction, the style, and the limits of government actions. We will strive to achieve the aim of openness, clarity, honesty, effectiveness, and efficiency of actions of the whole government administration becoming a principle.

The government will create conditions for the citizens to be well informed about the public issues dealt with by all bodies of government administration. A government press spokesman will be appointed. It will be his task to organize extensive and genuine information and to react in the situations requiring comment or assessment from the government.

Decentralization of the state, as well as the protection and the development of local government, will soon find its expression in legislative initiatives aimed at the strengthening of parishes; in an open approach to the issue of the administrative division of Poland and the construction of another link in local self-government; in the strengthening of provincial governors' powers; and in restricting special administration. The government's decisions and initiatives will be subjected each time to scrutiny as to whether they take into consideration and protect properly the scope for the necessary freedom of individuals, families, and nonstate forms of activity of particular groups of people. Everything that limits the citizens' initiatives will be consistently removed. The government will make this a principle of its activity and will require that the whole government administration make decisions without unnecessary delay at the lowest possible level—the one closest to those concerned—so that powers are strictly linked to responsibility and so that the setting of tasks is accompanied by resources for their implementation or mechanisms enabling the acquisition of such resources.

In the next few months, we will resolve the issues connected with the reconstruction of the government's economic center, which is to provide for a better implementation by the Council of Ministers of its functions of mapping out strategy, coordinating activities, and evaluating and auditing the implementation of tasks. The government's legislative support will be strengthened. The role of the Legislative Council in the preparation of bills submitted to the Sejm will grow. Overdue enabling legislation will be speedily worked out. The Sejm will have presented to it a draft for a fundamental reform of the economic center. It is high time to move from a departmental and industrial system to a problem and function-oriented structure that would make possible the implementation of state tasks in the economy in a modern and efficient way.

The tasks facing Poland give a special importance to the creation of a state civil service. I treat as a matter of urgency a clear separation within the state administration between the structures that are directly linked to the political setup, which forms the background of the government, and the executive structures, which by definition have to be apolitical, unbiased, and be governed by criteria of merit. In this regard, a draft of suitable solutions has already been presented. There cannot be and there will not be room for either a policy of vacancies or a policy of party or old-boy particularisms as far as state administration personnel is concerned. Considering that public trust is a necessary condition for the work of the government, we will adopt the principle that any suspicions of, or accusations against, administration employees have to be investigated, while criticism of government institutions and officials cannot remain without due reaction and response.

Here I would like to present to the house openly, honestly, and strongly my unequivocal belief that there is only room for one government inside the government. The Council of Ministers must start acting in a coherent manner. The government must speak with one voice, without bringing to mind a loose federation of ministries.

Within this idea there is no room for divisions into so-called presidential ministries, or ministries of this or that party. However, there is room for substantive cooperation and for the working out of joint decisions. There is room for a single coordination and command center. This position has nothing to do with a belief in infallibility, or in the wish of government ministers to lock themselves behind their office doors. On the contrary. I would like the manner of decisionmaking to be open to the public, so that openness to agreement with all those who can and are willing to contribute their knowledge and experience to the processes of working out solutions becomes a feature of this Council of Ministers. This Council of Ministers, in principle, will not be in opposition to any constructive idea.

We will not solve our new, complex problems without making use of Polish scientists, engineers, and creative intelligentsia. I know that these communities find themselves in a difficult financial situation today. I know that many unfulfilled promises were made to them. I will want to do everything to change this.

We can only move ahead in Poland through joint efforts. In matters important for the future you have to reject historical resentment, particularisms, and group interests. I declare openness in contacts with all communities, including the parliamentary opposition and that outside the parliament. I declare the willingness to act in agreement with vocational representation bodies, with employer and employee organizations. I consider proper cooperation with local self-government bodies to be a condition of success. I want to believe that similar openness to dialogue and negotiation and attachment to the agreed manner of reaching decisions will accompany the activities of us all.

Each day brings new evidence that cooperation between the individual state bodies is necessary. An unstable Poland, speaking in many voices about issues that are fundamental for our development, cannot be a credible partner in the construction of a new Europe. Our state bodies, in particular the president, parliament, and government, are facing a test of maturity for constructive cooperation. An important test in this context will be the signing of the budget for 1995. Just as the House has done in its special resolution, I appeal to the president, in the interests of our common good—that is the Polish economy and its international credibility—to take steps for an immediate signing of the budget act. [Applause]

Let us not waste the opportunity which history is offering Poland, and let us not waste that which we have already achieved through such great effort. As a nation and a state we are facing an historic opportunity. Our borders are not in flames, the country is developing, we have no enemies. It depends on us how we realize the challenge of building and strengthening internal and external peace, and creating worthy and fair living conditions in a democratic law-governed state in friendly surroundings. I say again: Poland is the common good of all citizens. The Polish Republic, contrary to the well-known fears of some people and the hopes of others, will not be a Polish People's Republic. It will be and it has to be a democratic law-governed state, a state of opportunities for enterprising people, and of care and guarantees of social minimum for those in need. It will be a sovereign state, a state-inheritor of traditions of tolerance. [Applause]

May it please the House: I submit that the Council of Ministers be elected with the following composition:

Aleksander Luczak as deputy chairman of the Council of Ministers and, at the same time, chairman of the Scientific Research Committee;

Grzegorz Kolodko as deputy chairman of the Council of Ministers and, at the same time, minister of finance;

Roman Jagielinski as deputy chairman of the Council of Ministers and, at the same time, minister of agriculture and food economy;

Ryszard Czarny as minister of national education;

Barbara Blida as minister of town and country planning and construction;

Kazimierz Dejmek as minister of culture and arts;

Andrzej Zielinski as minister of communications;

Zbigniew Okonski as minister of national defense;

Stanislaw Zelichowski as minister of environmental protection, natural resources and forestry;

Leszek Miller as minister of labor and social policy;

Wieslaw Kaczmarek as minister of ownership transformations;

Klemens Scierski as minister of trade and industry;

Jerzy Jaskiernia as minister of justice;

Andrzej Milczanowski as minister of internal affairs;

Wladyslaw Bartoszewski as minister of foreign affairs;

Boguslaw Liberadzki as minister of transport and maritime economy;

Jacek Buchacz as minister of foreign economic cooperation;

Jacek Zochowski as minister of health and social welfare;

Miroslaw Pietrewicz as minister, head of the Central Office of Planning; and

Marek Borowski as minister, head of the Council of Ministers Office.

May I thank the House for its attention. [Applause]

Foreign Minister-Designate on Steady Policy

WS0303133095 Warsaw GAZETA WYBORCZA in Polish 3 Mar 95 p 3

[Interview with Polish Foreign Minister-designate Wladyslaw Bartoszewski by Agnieszka Kublik; place and date not given: "A Government Not Entirely Made Up of Communists"]

[FBIS Translated Text] [Kublik] Why did you agree to accept this office?

[Bartoszewski] Several days ago, the president asked me for my consent to have my name submitted as a candidate for head of the Ministry of Foreign Affairs. I agreed because I trust his decisions.

[Kublik] But is this not a "communist government"?

[Bartoszewski] Well, not entirely. I am not a communist, Milczanowski is not a communist. I believe the head of the Ministry of National Defense will also represent a different camp. Thus we already have three noncommunist key ministers.

[Kublik] Will you find pleasure in cooperation?

[Bartoszewski] I did not say that, but this has nothing to do with my pleasure. This has to do with the Polish reason of state and signaling that Poland's foreign policy will not change. Ever since the political crisis began, everyone abroad keeps asking me whether our policy will change.

[Kublik] Will it change?

[Bartoszewski] I will continue with the policy of Skubiszewski and Olechowski, naturally.

[Kublik] Has the newly elected prime minister already spoken with you?

[Bartoszewski] No. Nor have any of his men. No one has asked me for an introductory meeting, although I did learn from the press that Oleksy has consulted with other ministerial candidates. They could make certain conditions. I have mine own, as well. Why has nobody asked me about them?

[Kublik] What are they?

[Bartoszewski] My policy must be objective, nonparty and supraparty. My only staffing criteria shall be the personal qualifications of the candidates. I will not be guided by membership in the Democratic Left Alliance, the Polish Peasant Party, the Freedom Union, the Union of Labor, the Confederation for an Independent Poland, or the Nonparty Bloc in Support of Reforms. Either these conditions are met, or I will not be minister.

[Kublik] Will you be Walesa's man in this government?

[Bartoszewski] I will, as I always have, serve the Republic of Poland. I am a state official.

More Committee Approvals of Ministerial Candidates

LD0303234495 Warsaw Third Program Radio Network in Polish 2300 GMT 3 Mar 95

[FBIS Translated Text] Sejm commissions are continuing hearings of candidates for new ministers. So far the relevant commissions have accepted:

Jerzy Jaskiernia to the post of minister of justice,

Grzegorz Kolodko to the post of deputy prime minister and finance minister,

Barbara Blida to the post of minister of [town and planning and] construction,

Jacek Buchacz to the post of minister for foreign economic cooperation, Boguslaw Liberadzki to the post of mininster of transport,

Stanislaw Zelichowski to the post of minister of environmental protection,

Ryszrd Czarny to the post of minister of education,

Klemens Scierski to the post of minister of industry,

Kazimierz Dejmek to the post of minister of culture,

Miroslaw Pietrewicz to the post of head of the Central Planning Office [CUP], and

Aleksander Luczak to the post of chairman of the Scientific Research Committee. Luczak is to hold at the same time the post of deputy prime minister.

Deputies were also in favor of Wladyslaw Bartoszewski, the candidate for the post of minister of foreign affairs, and Andrzej Milczanowski, who was offered the job of minister of internal affairs.

The candidate for the third, so-called, Presidential Ministry, Zbigniew Wojciech Okonski, who was offered the job of the minister of defence, and Wieslaw Kaczmarek, who was recently criticized by the Polish Peasant Party [PSL] and who is to take the Ministry of Ownership Transformations, will be interviewed after midnight [2300 GMT]. The most controversial persons were to be answering the deputies' questions after midnight.

Sejm Speaker Announces New Government, Vote

LD0403140195 Warsaw Radio Warszawa Network in Polish 1317 GMT 4 Mar 95

[Speaker Jozef Zych announcement before the Sejm—live]

[FBIS Translated Text] Three hundred eighty-four deputies have taken part in the vote on the government program. An absolute majority was 193: 272 deputies voted in favor of the Council of Ministers, 99 were against, and 13 abstained. I hereby declare that the Sejm has passed the motion to elect the Council of Ministers:

Roman Jagielinski, deputy prime minister and minister of agriculture and food economy;

Grzegorz Kolodko, deputy prime minister and minister of finance;

Aleksander Luczak, deputy prime minister and chairman of the Scientific Research Committee;

Wladyslaw Bartoszewski, minister of foreign affairs;

Barbara Blida, minister of town and country planning;

Marek Borowski, minister and Head of the Council of Ministers Office;

Jacek Buchacz, minister of foreign economic cooperation;

Ryszard Czarny, minister of national education;

Kazimierz Dejmek, minister of culture and arts;

Jerzy Jaskiernia, minister of justice;

Wieslaw Kaczmarek, minister of economic transformations;

Boguslaw Liberadzki, minister of transport and maritime economy;

Andrzej Milczanowski, minister of internal affairs;

Leszek Miller, minister of labour and social policy;

Zbigniew Okonski, minister of national defense;

Miroslaw Pietrewicz, minister and head of the Central Planning Office;

Klemens Scierski, minister of industry and trade;

Andrzej Zielinski, minister of communications;

Stanislaw Zelichowski, minister of environmental protection, natural resources and forestry; and

Jacek Zochowski, minister of health and social security. [applause]

Jacek Kuron Ready To Run for President

LD0503143295 Warsaw Third Program Radio Network in Polish 1400 GMT 5 Mar 95

[FBIS Translated Text] Jacek Kuron has said that he decided to run in the presidential elections inasmuch as polls indicate that he may win. Kuron said at the regional Union of Freedom [UW] congress in Poznan that as president he would want to be a guardian of the local and economic self-governments and trade unions. He pointed out that he would rather be a citizens' candidate than a party one.

Hanna Suchocka, who is also taking part in the Poznan congress, commented on Kuron's statement that it resembled the National Unity Front. She said that she wanted to run in the presidential elections because she was of the opinion that a good UW candidate might consolidate the post-Solidarity camp.

Christian National Union Elects New Chairman

LD0503091195 Warsaw PAP in Polish 0210 GMT 5 Mar 95

[FBIS Translated Text] Czestochowa, 5 Mar—Ryszard Czarnecki was elected chairman of the Christian National Union [ZChN].

After 0200 today, the ZChN Congress, deliberating in Czestochowa, elected Ryszard Czarnecki to the post of party chairman. He won 88 votes in the second ballot, while 65 delegates voted for his opponent Jan Lopuszanski. Two other candidates were defeated in the first ballot.

Requirements for NATO Membership Discussed

95EP0056A Warsaw WOJSKO I WYCHOWANIE in Polish No 11, Nov 94 pp 72-77

[Article by Pawel Wieczorek, Ph.D.: "How Far to NATO? (Partnership for Peace)"]

[FBIS Translated Text] The radical changes taking place on the international arena posed to the countries of Central Europe the need to redefine their strategy for social and economic growth and security policy. All the countries of this region realized that the particular void in the political-military domain, arisen owing to the disintegration of old structures and ties, had to be filled by establishing broad—and as soon as possible formalized—cooperation with the Western integrative structures, and especially with NATO, the European Union and the West European Union. This was influenced by the fear that, should the Central European countries remain in a sphere of diluted security, this would encourage the conservative forces of Russia to attempt to regain influence in the central part of Europe and in general to think in terms of force. (Footnote)(Cf. R. Kuzniar, "How To Emerge From the Sphere of Diluted Security," RZECZPOSPOLITA, 18 October 1993.)

In the case of Poland there is no rational alternative to integration [with West Europe]. The European Union is the key element of the new political and economic order arising at present on the European continent. As for NATO, in the foreseeable perspective it shall remain the principal guarantor of the security of West Europe and a factor stabilizing the political and military situation in Central and East Europe. However, its political and military concept will change. First, the involvement of the United States in European affairs will gradually diminish, which will entail a higher degree of "Europicization" of NATO in the form of strengthening the so-called European pillar of that alliance. Second, cooperation between NATO and certain Central European countries, especially Poland, the Czech Republic, and Hungary, will become gradually closer. (Footnote)(It should be borne in mind, however, that Hungary and the Czech Republic prefer the option of independently joining the Western integrative structures, owing to their belief that without Poland, which is of a specific strategic importance to Russia, they would find it easier to accomplish this goal. Such an approach restricts the scope and importance of cooperation within the Visegrad Group. See, "Why We Need the Visegrad Group," RZECZPOSPOLITA, 24 March 1994.) The related prospects were unlocked by NATO's declaration of the need for an "opening to the East," which is yet another direction of the transformation of that alliance and search for a new formula for being. Still, the ultimate shape of the political-military concept of NATO, including the problem, so crucial to us, of the eastern boundaries of that alliance, remains an open issue. NATO's postponement of the related decision for an indefinite period has been due to many factors, of which fear of Russia's reaction is only one and, contrary to widespread opinion, not the most important one.

The problem of structural changes within NATO, including the issue of the attitude of that alliance to the events in Central-East European area, has dominated the successive NATO "summits" held after 1989. In London (July 1990) the decision was taken for a political opening of NATO to the East. Subsequently, in Rome (November 1991) the first institutional forms of consultation and cooperation with the postcommunist countries were created, while the meeting in Brussels (January 1994) resulted in the "Partnership for Peace" program.

What Is Partnership?

NATO countries favor gradual rapprochement between East European countries and the alliance, provided that the scope of that cooperation may not extend to formal membership and security guarantees as construed by Article 5 of the Washington Treaty. (Footnote)(Article 5 provides that, in the event of armed aggression against any member country, each side... "shall provide assistance....on taking individually and in cooperation with other countries such steps as it will deem necessary, not excluding a resort to military force with the object of restoring and maintaining security in the North Atlantic zone." It ensues that military assistance does not have to be provided automatically once aggression occurs but hinges on the decisions of the individual NATO countries.) NATO's policy of opening to the East is not tantamount to consent to a formal extension of membership in that alliance to additional countries. In speaking of the "opening to the East" the NATO countries mean chiefly measures intended to broaden the zone of stability, democracy, and predictability. This was reflected in the language of the so-called Framework Document which invites Central and East European countries to participate in Partnership for Peace. According to that document, the growth of cooperation under the Partnership for Peace program is to promote accomplishing the following objectives:

—Attainment of clarity in defense planning, inclusive of work on military budgets.

—Assurance of democratic control over armed forces.

—Affording the possibility of participation in operations conducted by the UN or the Conference on Security and Cooperation in Europe (CSCE).

—Promoting the growth of military cooperation with NATO, intended to create the conditions for joint planning, training, and exercises with the object of augmenting the possibilities of countries for organizing peacekeeping, search-and-rescue, humanitarian, and other missions.

—Promoting the longterm growth of the military forces of the partner countries with the object of streamlining their adjustment to cooperation with the forces of NATO member countries.

The NATO countries have always made it clear that the joint undertakings adopted in the plane of the North Atlantic Cooperation Council, including Partnership for Peace, do not guarantee automatic membership in NATO and neither do they signify security guarantees by NATO. (Footnote)(J. Prystrom, "NATO in the Post-Cold War Period," SPRAWY MIEDZYNARODOWE, No. 2, p. 42, 1994; see also, in the same issue, A. Karkoszka, "Dilemmas of Partnership for Peace," p. 18.) This conclusion is not altered by the fact that comments made by certain Western politicians may point to greater flexibility of NATO in this respect at present. (Footnote)(In this context, of special importance is the comment made by FRG Defense Minister Volker Ruhe, who declared that the United States Secretary of Defense L. Aspin has assured him at a meeting of NATO defense chiefs in Travemunde, in the fall of 1993 that the question is not whether to broaden NATO but 'when and on what terms,"' FRANKFURTER ALLGEMEINE ZEITUNG, 9 December 1994.)

The countries of Central-East Europe would like to view Partnership for Peace as not just a way of tightening ties with NATO but also a bridge leading to formal membership in that alliance. However, neither the documents of the Brussels Summit nor the so-called Presentation Document offered by Poland, nor the subsequently agreed-upon Individual Partnership Program provides security guarantees or lay solid foundations for gaining membership in NATO. Hence also the Poland's goal as stated in the above document exceeds at present the assumptions of NATO's policy toward Central European countries, though—and this deserves emphasis—it does not conflict with these assumptions. (Footnote)(A. Karkoszka, "Dilemmas...," op. cit. pp 18-19.) In practice it can thus be expected that the extent of the involvement of the partner countries of Central Europe in various actions of NATO will grow, but the nature of the formal ties between NATO and the most active of these countries will remain in doubt."

The Partnership for Peace program is a kind of compromise between the visions of security affairs held by NATO countries on the one hand, and by Central and East European countries on the other. The latter countries are aware that joining Partnership for Peace does not necessarily mean rapid admission to NATO, but on the other hand they fear that a negative response to Partnership for Peace might in general foil their security aspirations. In their turn, the NATO countries are trying in this way to resolve the dilemma relating to the need to preserve NATO as a cohesive and effective political-military organization and the need to open it to the East. The NATO countries are trying to maintain the best possible relations with the Central European countries, while at the same time avoiding steps that might complicate their relations with Russia, to which the West, and especially to the United States, attaches priority. Ultimately, despite its general hostility toward NATO, Russia too has declared itself willing to participate in Partnership for Peace, fearing that otherwise it would find itself outside the framework of European cooperation. (Footnote)(Ibid., p. 24.)

NATO countries are aware that the gradual, if rather slow, ongoing adjustment of the Central European countries to NATO standards proceeds on two tracks. On the one hand, this concerns constructing an ever denser network of many-sided ties between the two groups of countries, and on the other, ordering economic matters and the entrance of postcommunist Europe onto the track of a stable economic growth. Only thus can arise the complex network of interdependences which at a certain moment will become a natural foundation for formal membership in NATO, which by then would not elicit any resistance or fears. At present this is a very remote prospect reaching far beyond the year 2000.

And NATO's Response?

The postulate of a formal extension of NATO to Central European countries (including Poland) does not at present find support among the countries belonging to that alliance. The NATO countries are not questioning the fact that the original obstacles to the rapprochement between the Central European countries and NATO, linked to fundamental ideological and system-of-society differences and the confrontational nature of East-West relations, are no longer topical. Nevertheless, they believe that the problem of the formal admission of the Central European countries to NATO—in a situation in which no answers exist to many crucial questions concerning the very political-military concept of that alliance—is a premature issue and a risky undertaking which may cause NATO to face new challenges and difficulties. The official and semiofficial comments of the representatives of member countries and heads of NATO institutions on this issue reveal the following reservations and fears:

—Lack of clarity as to the future shape of the political and military concept of NATO. The process of the adaptation of NATO to the new political and military situation in Europe has proved to be much more time-consuming and complex than the West had at first imagined. For example, the NATO countries face a fundamental predicament, due on the one hand to the unquestioned need to preserve the internal coherence of their alliance as the basis for its defense functions and, on the other hand, to the need to adapt NATO to the new international circumstances, and especially to the disappearance of the eastern threat. The debate that has commenced in this context within NATO comprises such important problems as the priorities of NATO's security policy and the vision of a new system of transatlantic ties. The lack of consensus on many fundamental questions makes it impossible to work out an integral analysis of the challenges which the West and NATO face at present or may face in the future, including also the implications of events in Central-East Europe, and especially in Russia.

—The negative influence of an expansion of NATO on its internal cohesiveness. Experience shows that, even in its current composition, NATO is not always able to work out a uniform position on cardinal issues such as the numbers and equipment of the military forces assuring the implementation of the defensive functions of that alliance in the new system of international relations. An expansion of NATO would mean having it face new problems magnifying its existing difficulties.

Central-East Europe, and especially its southern part (the former Yugoslavia, Albania, Romania, Bulgaria) is a politically, socially, and economically unstable area. The expansion of the statutory scope of activities of NATO could result in its having to face the need to become actively involved in the internal conflicts occurring in the Central and East European countries, which would weaken its political and military cohesiveness. Poland, Hungary, the Czech Republic, and Slovakia, not to mention the aforenamed Balkan countries, are only beginning the process of building democracy. The political and social foundations of democracy here are still, despite everything, fragile. There is no certainty as to the direction which will be followed by the ongoing changes in these countries, and as to whether they will be capable in the near future of coping with the system of values binding the NATO community.

—The inclusion of Poland (like that of other Central European countries) in NATO would probably necessitate that that alliance make substantial investments needed to modernize the armed forces and the entire defense infrastructure of these countries. At present in the NATO countries there is no political will and social support for such investments, which would be tantamount to giving up some of the so-called peace dividend deriving from the growth of the new cooperative international order. The steadily diminishing funds which the governments of individual NATO countries are ready and able to allocate for military purposes do not warrant launching a broad-scale program for the financial and material support of Central European countries on their road to NATO.

—Lack of clarity as to the strategic implications of NATO's eastward expansion. The inclusion of Poland, the Czech Republic, or Hungary in NATO would in practice mean shifting the eastern boundary of the alliance from the Odra line to the Bug River. That would make Ukraine and Belarus buffer countries separating NATO from Russia. The implications of such a happening are difficult to predict unequivocally. First, these countries might return within Moscow's sphere of influence. Second, the eastward expansion of NATO's scope of operations would probably accelerate the formation of a new military bloc on the territory of the Commonwealth of Independent States. In sum, NATO fears that by admitting any Central European country it would contribute to maintaining European divisions, which would conflict with the official explications of that alliance's policy.

—Fear of Russia's reaction. As noted before, this is not a decisive factor, but still Moscow's position on the issue of NATO expansion matters very much to the West, and especially to the United States. For there cannot be any doubt that Russia is and shall remain a more important partner to NATO countries than all the Central European countries taken together. Hence also the unwillingness to take steps which might—in view of Russia's opposition—cause tensions to rise in the eastern part of the continent. A separate issue is the extent to which these fears are justified as compared with the extent to which they stem from the adroitness of Russian diplomacy. Yet another aspect of this matter is the dilemma as to whether the admission of Poland and other Central European countries to NATO would actually threaten Russia's security interests or whether Russia's interest lies chiefly in being able to have a significant voice on matters vital to NATO and Europe, which would reflect Russia's importance as a big power. (Footnote)(Cf. L. Unger, "Vademecum of the Sober European," GAZETA WYBORCZA, 23-24 July 1994.)

The First Decisions

In April 1994, Poland offered in Brussels the so-called Presentation Document, an attempt to define more precisely the objectives formulated in the Framework Document of Partnership; it had been adopted during the January NATO summit in Brussels and signed by Prime Minister Pawlak in the following month.

The Presentation Document stated that Poland accepts Partnership for Peace as an expression of NATO's commitment to security issues for Europe as a whole. At the same time, Poland fully confirms its will to respect democratic principles of life in its own country and respect for norms of international law. Poland's goal is to gain full membership in NATO. Partnership for Peace is viewed by our country as a means of bringing Poland closer to that goal and promoting integration with NATO through both the initiation of the process of actual inclusion of Polish defense structures in the corresponding NATO structures and the technological and organizational modernization of the Polish Army in accordance with NATO standards.

In accepting Partnership for Peace Poland declared its readiness to cooperate with NATO in achieving the objectives formulated in the Framework Document, which in practice means the following measures:

1. Greater clarity in defense planning and in the work on the military budget. For some time now Poland has been participating in the exchange of information—with, among other countries, also NATO countries—on the structure of the Polish Army, the military budget, the equipment of the armed forces, and the exports and imports of weaponry, pursuant to the obligations ensuing from Poland's participation in the CSCE and various United Nations initiatives. Our country is interested in a broad exchange of information with NATO

countries, as based on the principle of reciprocity. To this end appropriate formal-legal steps have already been taken to facilitate such exchange.

2. Assurance of democratic control over the armed forces. Organizational and legal changes serving to make possible an effective control of the armed forces by the parliament, the president, and the government have been under way in Poland since 1989. Their machinery keeps getting refined by such means as: (a) Improvements in the procedures for planning and implementing the military budget; (b) finalization of organizational restructuring of the defense ministry and the top echelons of the armed forces in consonance with NATO norms; and (c) completion of legislative changes relating to defense as regards the legal status and powers of distinct state offices.

3. Provision of possibilities for taking part in the peacekeeping operations conducted under the mandate of the UN or the CSCE. Poland is ready to keep making specific contributions to international peacekeeping missions. In order to augment the possibilities for cooperation in this domain, our country has set aside an operational battalion (1,000 personnel) and a small logistical support unit. Poland is also inclined to provide access to training centers and firing ranges for the preparation of international forces for the needs of peacekeeping operations.

4. Development of Military Cooperation with NATO. Under this cooperation Poland is particularly interested in joint operations as regards command, monitoring, and communications, and also air defense. On the one hand, this concerns creating possibilities for rapport with appropriate NATO institutions and on the other, assistance in developing a modern national air defense system prepared for cooperation with NATO forces. Moreover, Poland has expressed the wish to cooperate in many other domains, including: (a) Operating procedures in crisis situations; (b) defense planning; (c) military training and education; (d) procurement and supply system; (e) standardization; (f) military infrastructure; (g) R&D work on military technology; and (h) combatting the ecological perils linked to the operation of the armed forces and the defense industry.

5. Longrange development of armed forces. Partnership for Peace is viewed by Poland as an important instrument for preparing discrete elements of the National Defense System for membership in NATO. To this end, the following steps will be taken:

—Establishment of closer operational contacts and direct communications with appropriate NATO commands.

—Consultations on defense policy as well as exchange of experience on tactics and operational art.

—Adaptation of the Polish Army's defense system to NATO standards, inclusive of air defense command.

—Restructuring of communications systems in accordance with NATO norms.

—Assurance of the possibility of "friend or foe" identification.

—Assurance of exchange of data collected by reconnaissance and warning systems.

—Commencement of the adaptation of weaponry, military equipment, and facilities (inclusive of the facilities of certain airfields and seaports) to NATO standards.

—Expansion of defense infrastructure.

—Adaptation of the military education and training system to the guidelines binding within NATO.

Poland's participation in Partnership for Peace was more precisely defined in the form of the so-called Individual Program for Partnership Between Poland and NATO for the Year 1994 (IPP), signed in July 1994. The IPP provides for 46 specific projects comprising various kinds of consultations (chiefly as regards military budget planning procedures, air traffic control, and arms supplies) as well as for the training and exercises of small subunits of land troops and naval ships. Some of that training and exercises were held in NATO countries (Denmark, FRG, Great Britain, and Holland) and some in Poland, in the Bays of Pomerania and Gdansk (exercises with the participation of minesweepers and sea-rescue vessels and helicopters). Emphasis should be placed on the fact that in mid-September 1994 Poland hosted multinational exercises of military forces with the participation of some 400 military personnel from NATO and PfP [Partnership for Peace] countries. These exercises were held in the region of Zagan and Swietoszow.

How Much Could This Cost Us?

The prospects for the gradual inclusion of Poland in NATO structures are an important point of reference for evaluating the whole of the activities serving to reform the Polish armed forces and other elements of the National Defense System, a reform that has been pursued for the last few years independently of the intent to join NATO. The principal dilemmas that have to be resolved may be reduced to the following sequence of questions: Are the ongoing changes in the National Defense System bringing discrete parts of that system closer to NATO requirements? If yes, at what point of adjustment to NATO standards do we exist at present? What and to what extent and also on the basis of what resources, should be altered within the National Defense System in order to attain a sufficient—in the initial stage of rapprochement to NATO—degree of compatibility with the structures of that alliance?

Analysis of economic and financial implications of Poland's joining NATO requires defining the minimum level of the compatibility of discrete elements of the

National Defense System with the NATO system. On the occasion it is worth noting that the complexity of the problem of the technological and functional compatibility between the military forces of NATO and those of the countries declaring their readiness to join that alliance is often being exaggerated. It can be assumed that said minimum level will afford the possibility for commencing cooperation between Polish military units and corresponding NATO forces. Achieving that level requires undertaking several specific legal-organizational and military-technological measures, including: (a) Standardization of decisionmaking procedures and terminology; (b) partial adaptation of the principles of tactics, operational art, and rules of combat; (c) assurance of efficient communications and rapport between commands; (d) equipping the means of combat and reconnaissance with a uniform "friend or foe" identification system; and (e) adaptation of the logistical servicing of aircraft and vessels. (Footnote)(A. Karkoszka, "Dilemmas....," op. cit., p. 17.) The implementation of these measures will determine the direct and short-term cost of integration.

But as for attaining the ultimate model of cooperation, that is something distant in time, and it does not preclude the possibility of an earlier functioning of Poland within the coalition system of forces. A timetable for taking the needed measures to deepen and broaden the scope of the integration will be determined on the basis of the experience already gained in that respect. Such experience indicates that achieving a relatively advanced level of compatibility of the military structures of new NATO members is a question of at least some 15 years or so. The example of Turkey, Greece, Portugal, and Spain shows that, given sufficient political will, membership in the alliance can be achieved by countries whose level of social and economic growth, advancement of democratic processes, and condition of their armed forces are far behind the standards designated by the developed NATO countries.

Especially to be emphasized is that participation in Partnership for Peace has not as yet been suitably reflected in the defense ministry's budget. Its estimated cost of participating in the bilateral and multilateral combat exercises scheduled for 1994, and implementing the plan for consultations and training, is about 1.5 trillion zlotys. But that amount concerns solely direct spending on the implementation of specific provisions of the Individual Partnership Program for 1994. Implementing programs of a much broader scope that would be elements of a longrange process of adaptation of the armed forces and other components of the National Defense System to membership in NATO would require much higher expenditures that are as yet difficult to determine.

In this context, it is worth noting that the year 1994 has been the eighth successive year of decline in real military spending, whose current level amounts to, as estimated by the defense ministry, barely 44 percent of the funds available to the ministry in 1986. The share of defense spending in the gross domestic product has dropped from 3.2 percent in 1986 to 2.1 percent in 1994. Here it should be emphasized that implementing the assumptions of the "Program for the Socioeconomic Policy for 1995-97," in the version adopted by the Council of Ministers, will probably afford no possibility for increasing defense spending. During these three years achieving economic and social objectives will have definite priority over defense-related objectives. The economic effort will simply be focused on emerging from the recession. It is assumed that by the end of 1996 and at the beginning of 1997 that goal will be accomplished and the economy will enter upon a stage of stable growth. To a certain extent this will augment the freedom of maneuver in allocating budgetary spending, including also spending on defense.

* * *

The agreement between Poland and NATO on the Individual Partnership Program has been a major milestone in our national security policy, and it signifies the beginning of the stage of practical measures to promote integration with Western political-military structures. The integrative processes occurring in the political and economic plane have thus been complemented in the plane of defense. By the same token, premises will arise for achieving one of the fundamental objectives of Poland's foreign and military policy, formulated in "Assumptions of Polish Foreign Policy" and "Defense Strategy of the Polish Republic," in November 1992.

The further fate of Partnership for Peace, which is simply a compromise between the expectations of the Central-East European countries and the actual possibilities of NATO, is an open question. Various options come into play. PfP may be confined to consolidating the network of military ties between these countries and NATO, but without altering the security formula of these countries. Or, PfP may also be a way of obtaining full membership in NATO. Or, too, it may provide a platform for creating a longrange European security system in which NATO would play the role of the military instrument while retaining total autonomy and separateness in the formal-legal sense.

Basic Foundations of 1995 Draft Budget

95EP0046A Warsaw PRZEGLAD RZADOWY in Polish No 12, Dec 94 pp 47-51

[The Government Draft Budget for 1995, Basic Macroratios]

[FBIS Translated Text] The 1995 State Budget is a budget "reducing the costs of transformations, economic growth, economic stabilization, and reforms," as Deputy Minister for Economic Affairs and Finance Minister Grzegorz Kolodko tersely characterized the prepared budget draft. The government would like as a result achieve a compromise among the conflicting interests of various social groups, subsector constituencies, and regions.

The 1995 state budget draft envisages the pursuit of a prosocial policy of balanced economic growth and reforms, in accord with the "Strategy for Poland" program. Its special feature is higher outlays on investment, greater concern for the state sector and for a low deficit, and maintaining a higher rate of economic growth than in other European countries.

Unfortunately, it was not possible to balance spending with receipts, this being largely due to the economic disequilibrium in the past and to delays in reforming the social sector. Now the state has to fund the so-called fixed expenditures on servicing the public debt and social protection. The principal aspects of the draft 1995 state budget presented in this article are reckoned in old zlotys.

Macroeconomic Assumptions

The structure of the 1995 budget is based on the following assumptions:

—The GDP will increase by 5 percent in real terms compared with 1994 and reach Z2,633 trillion [zlotys].

—The prices of consumer goods and services will increase by about 10 percentile points more slowly than in 1994. Between December 1994 and December 1995 they will increase by 16.9 percent, that is, by about 1.3 percent monthly.

—For the year as a whole inflation will reach 22.7 percent.

—The prices of industrial products will increase by an average of 19.5 percent, and the prices of capital goods, by 16.6 percent.

—Personal consumption will increase by about 3.5 percent in real terms compared with 1994, and public consumption by 2 percent.

—Investment spending will increase by 7 percent in real terms.

—The balance of foreign trade will improve; export revenues in 1995 will be 10 percent higher, and imports will increase by 8.2 percent, compared with 1994. This will be chiefly due to higher imports of capital goods and producer goods.

—The balance of payments will be positive to the extent of $650 million; this will be due to the improved foreign trade balance and greater influx of foreign capital to Poland. The balance of capital transactions will be positive despite the considerable burden of foreign debt servicing and reach $1.9 billion.

—The rate of zloty devaluation will slow down; over the year it will be about 15 percent.

—The decline in employment in recent years will be reversed; average nonfarm employment will be 9,350,000, or 50,000 higher than in 1994.

—By the end of 1995 unemployment will diminish by 10,000 compared with the end of 1994.

—The number of pensioners and annuitants will increase by more than 200,000 compared with 1994; the average number of recipients of nonfarm retirement pensions and annuities will be 7,057,000, and the number of recipients of farm pensions and annuities will reach the level of 2,076,000.

It is worth noting that, beginning in 1992, the number of pensioners and annuitants has been rising while employment has been declining, which results in a higher burden on the average worker.

—Average monthly wages in the nonfarm sector will increase by 3.1 percent in real terms compared with 1994. Average wages in private enterprise will increase by 3 percent in real terms. For the state sector a wage increase of 5 percentile points above the inflation rate, i.e., of 4.1 percent in real terms, is envisaged.

—Average nonfarm pensions and annuities will increase by 7.8 percent in real terms compared with 1994.

—Average farm pensions will increase by 6.6 percent in real terms.

—Pensions and annuities will be increased twice in 1995 to match the cost of living: in March and in December, by 11.7 percent.

—The average unemployment benefits will be 7.8 percent higher in real terms compared with 1994.

Receipts of State Budget

State budget receipts are anticipated at Z823.7 trillion, that is, 30.8 percent more than anticipated for the 1994 budget. This means that in real terms the 1995 receipts of the state budget will be 6.6 percent higher. Their principal source will be taxes.

Tax revenues account for 81 percent of all budget receipts and will amount to Z667.100 trillion (Z667 trillion 100 billion). They will mostly derive from:

—Indirect taxes (VAT, excise tax, altogether 53.7 percent).

—Personal income tax (33.4 percent).

—Corporate tax (12.3 percent).

The revenues from indirect taxes are expected to rise the most (132.4 percent compared with 1994), owing chiefly to:

—A faster economic growth rate.

—Broadening of the scope of taxation and more efficient collection of VAT (due to restrictions on the underground economy).

—Introduction of banderoles for merchandise subject to excise tax.

—Longer period of applicability of the import tax.

—Increase of gaming tax to 20 from 15 percent.

An increase in receipts from the personal income tax is anticipated. The taxation thresholds and tax deductions are indexed at levels higher than the inflation rate, which should cause a decline in the personal tax burden in real terms (compared with the previous years).

Tax rebates for housing, education, and advanced job training will be increased.

The revenues from the corporate tax (levied on enterprises, banks, and insurance institutions) will increase at a slower rate than in the past. This is due to the incentives provided for enterprises to increase market supplies, in the form of the existing investment tax relief, and to the broadening of the scope of application of tax relief to taxpayers engaging in or initiating businesses in localities where unemployment is a special problem (the index of increase in employment is lowered and 75 percent of investment outlays can be deducted from income in rural areas).

The insignificant increase in receipts from the corporate tax is due to the government's provision of conditions for an increase in bank capitalization. This will enhance the security of bank depositors and promote a rise in personal savings.

Owing to an increase in the number of state enterprises offered for privatization, receipts from privatization will nearly double (to Z23.3 trillion from Z12.3 trillion). This will provide improved and more advantageous conditions for personal savings and investment and positively affect the growth of the capital market.

Nontax receipts will amount to Z133 trillion 151 billion and will thus be 34.8 percent higher than in 1994. The sources of nontax receipts are as follows: Duties (Z54.3 trillion), profit payments from the National Bank of Poland (Z36 trillion), revenues of budget units (Z18.1 trillion), dividends [assets tax] (Z14.5 trillion), fees for the certificates of the National Investment Funds (Z4 trillion), and other nontax receipts (Z6.3 trillion).

Spending From the State Budget

Spending from the 1995 state budget is planned to reach Z911.5 trillion, that is, 31 percent more than in 1994. The budget deficit was set at the level of Z87.8 trillion, that is, 3.3 percent of the GDP. In percentile terms this deficit is the same as in 1994.

The distribution of budgetary spending is limited by so-called fixed expenditures, that is, the obligations of the state, which consist chiefly of:

—Servicing the public debt; the cost of this servicing has more than quadrupled in the last five years (to Z156 trillion in 1995 from Z11 trillion in 1991).

—Subsidies for social insurance and the Labor Fund—the related budgetary spending has more than quintupled in the last five years (from about Z44 trillion in 1991 to about Z233 trillion in 1995).

The scale of this spending restricts by Z388.6 trillion the possibility of disposing of budget funds.

A breakdown into principal spending categories indicates that the costliest item is the expenditures on subsidies and grants (Z342.9 trillion), followed by budget units (Z305.4 trillion), public debt servicing (Z156 trillion), entitlements (Z53.9 trillion), capital expenditures (Z39.0 trillion), and settlements with banks (Z14.3 trillion).

Spending on subsidies and grants will rise to Z342.9 trillion, or 26.9 percent more than in 1994. This includes spending to alleviate personal living standards and promote the processes of economic restructuring.

Within this category the biggest item is spending on targeted funds, of which the most important ones are:

—Subsidy for the Social Insurance Fund—nearly Z97.3 trillion.

—Subsidy for the Labor Fund—nearly Z39 trillion, to actively counteract unemployment.

—Subsidy for the Alimentation Fund—Z3.5 trillion.

—Subsidy for the Farmers' Social Insurance Fund—nearly Z63.5 trillion.

Subsidies and grants for local governments:

—Educational subsidies for the local governments which took over the administration of local schools—more than Z17.8 trillion.

—Targeted grants for funding objectives assigned by the central government to local governments—nearly Z16 trillion.

—Grants to local governments having municipal status—more than Z9 trillion.

—General subsidies—about Z7.4 trillion.

—Grants for local-government operations—Z2.5 trillion.

The grants for maintaining the growth rate and restructuring of the economy are as follows:

For agriculture:

—Farm Restructuring and Modernization Agency—nearly Z6.5 trillion.

—Subsidized interest rate on farm loans—Z2.5 trillion.

—Subsidized interest rate on "drought" loans—Z1.9 trillion.

Restructuring the enterprise debt relief, with regard to arrears in paying social insurance premiums—Z8.0 trillion.

For the Polish State Railroads, for maintenance and modernization of infrastructure—more than Z3.6 trillion.

For restructuring of industry and other corporate subsidies—more than Z4 trillion.

For housing cooperatives (mainly subsidies for central heating, hot water, and renovation) and for the utilities—more than Z5.5 trillion.

Of considerable importance to solving major economic and social problems are capital expenditures, which will exceed Z39 trillion, or, in real terms, be 11 percent higher than in 1994. Almost all the spending in this category will be investment spending (Z38 trillion), with the remainder earmarked chiefly for establishing the Bank Guarantee Fund.

In 1995, for the first time in five years, the share of capital expenditures in the state budget will increase. This concerns chiefly expenditures on developing the economic and social infrastructure. Investments in transportation will increase by 20 percent; in science, by 22 percent; in health care, by 25 percent; in culture and the arts, by 115 percent; and in communications, by 120 percent.

The growth of investments in the economy will be accompanied by higher government loan guarantees, which for bank loans will rise to Z40 trillion compared with Z25 trillion in 1994. The limit on insuring export loans will similarly be raised to Z31 trillion compared with Z25 trillion in 1994.

Major importance in the budget is ascribed to further growth of agriculture. In real prices spending on this branch will increase 14.7 percent.

In accord with the "Strategy for Poland" Socioeconomic Program, spending on human resources is increasing, chiefly on health care, education, and social protection. Compared with 1994 the principal increases in spending will be, in real terms, on social assistance (12.8 percent), culture and the arts (9.4 percent), higher education (5.7 percent), health care (4.9 percent), and education in general (4.3 percent).

In the last few years spending on human resources has been mostly declining in real terms. The year 1995 will witness a reversal of this trend.

[Box, p 51]

The Council of Ministers Has Adopted an Amendment for the 1995 Draft Budget Law

Pursuant to the Sejm's decision to reduce the allowable deductions from the personal income tax for housing renovation, the state's receipts in 1995 will increase by Z3.4 trillion, of which Z500 billion will be transferred to local governments as their share in that tax. Thus, altogether the state's receipts will increase by Z2.9 trillion, which funds will be allocated for:

—Housing subsidy—Z2.3 trillion (the aggregate spending on this purpose from the state budget will, following this correction, amount to Z4.8 trillion).

—Subsidy for the construction of rental housing—Z220 billion.

—Subsidy for research at higher schools—Z88.9 billion more.

—Subsidy for housing cooperatives—Z100 billion.

—Addition to the reserve fund of the Council of Ministers—Z185 billion.

—Increase in general subsidy for local governments—Z26.1 billion.

As regards international settlements, revenues will increase by Z2,970.4 billion and spending by Z3,260.4 billion, owing to the settlement of mutual claims and obligations with Russia in connection with the anticipated signing of an already initialed agreement on basic principles for settling mutual indebtedness due to transactions that had occurred between the Polish Republic and the former USSR.

Under the amendment adopted by the Sejm, revenues from payments of the credit granted to the former USSR for building the gas pipeline between Jamburg and the western boundary of the former USSR will increase by Z290 billion.

BNR Governor To Seek IMF Loan Release

AU0303154195 Bucharest CURIERUL NATIONAL in Romanian 1 Mar 95 p 1

[Article by Liana Simion: "The Governor of the BNR Will Try To Convince the IMF To Release the $300 Million for Romania"]

[FBIS Translated Text] In the next few days, Romanian National Bank [BNR] Governor Mugur Isarescu will be leaving for Washington, where he intends to meet with several IMF officials in an effort to obtain the release of the loan installments worth over $280 million that have been postponed by that international financial organization. It seems that Isarescu has made special efforts to be received by Max Watson, head of the IMF negotiators for Romania; Massimo Ruso, director of the IMF's First European Department; and Executive Director Goddard Posthumus, who represents the group of countries to which Romania also belongs on the IMF board (leadership). The BNR governor will explain the reasons for which several performance criteria and quantitative guide marks contained by the IMF-Romania memorandum could not be met, and he will probably ask for permission to delay their achievement. For the time being, an IMF technical mission is (still) in Bucharest. Their report is to be completed soon.

UDMR Protests 'Perfidious Tactical Blackmailing'

AU0303211895 Bucharest Radio Romania Network in Romanian 1800 GMT 3 Mar 95

[FBIS Translated Text] In a communique sent to our editorial board, the Democratic Union of Hungarians in Romania [UDMR] announces that it took note with profound concern of the 1 March 1995 communique issued by the Social Democracy Party of Romania [PDSR] that flagrantly contradicted its intent to engage in dialogue as declared during the Atlanta roundtable conference and later in statements made by the leaders of the party.

We stress once again that the UDMR is a legally established organization acting in concordance with Romania's laws and Constitution; and the Council of UDMR Representatives, by the decisions passed during its recent session in Targu Mures, has reasserted this principle unequivocally. The accusations contained by the communique signed by Oliviu Gherman represent an attempt to maintain tension and divert the attention of Romanian public opinion from the grave problems facing our society.

The UDMR communique continues by saying that such communiques serve the interests of the political forces that wish to prevent the finding of solutions for the ethnic minorities, the settlement of Romanian-Hungarian relations, the country's integration into Europe, and the democratization of our society in general.

The intent to castigate a political force by means of such unprovoked and hasty attacks, as well as the fact that they gave up the idea of clearing up disputed issues by way of principled dialogues, represents a genuine threat to the entire democracy in Romania.

In its conclusion, the communique says, quote, we sincerely recommend that the PDSR, which is the principal government party, consult our documents and decisions before launching accusations labeling a responsible political party, one which is well known and acknowledged by domestic and international public opinion, as an extremist, diversionist, anti-Romanian, unconstitutional, Horthy-type, and antistate group. The PDSR communique was issued in total contempt of the latest declarations issued by the recent Targu Mures session of the Council of UDMR Representatives. As a result of this, it is the PDSR communique that, in our opinion, may be regarded as a perfidious tactical blackmailing of the political parties in Romania, unquote.

Iliescu Discusses Interethnic Relations

AU0403215595 Bucharest Radio Romania Network in Romanian 1800 GMT 4 Mar 95

[FBIS Translated Text] In an interview granted to the Romanian Radio station's "Traditions and Cultural Values on Romanian Soil" program, Romania's President Ion Iliescu stated that the issue of interethnic relations has been used in the history of Europe and even of Romania as an instrument to create false tension and to justify certain reprehensible actions. Ion Iliescu said that schools must be a place of rapprochement between children and emphasized that the administrative separation of schools, at the insistence of Hungarian leaders at the beginning of 1990, provoked a certain amount of tension in Romanian society.

During the interview, President Iliescu mentioned that certain Hungarian leaders inexplicably confuse the concept of a unitary national state as stipulated in Romania's Constitution and the concept of a homogeneous national state from an ethnic viewpoint. President Ion Iliescu called on political forces in our country to adopt a reasonable approach to the problems of interethnic relations and eliminate emotional, primitive, and isolationist viewpoints.

In connection with the issue of relations between Romania and Hungary, Mr. Ion Iliescu said: We have perceived in a positive way certain positions expressed by the current Hungarian Government and the steps we have taken together in order to level the road and eliminate extremist influences that exist on both sides.

Referring to the aggressive position of certain nationalist circles in Hungary's legislature, Mr. Iliescu expressed his belief that the political agreement of bilateral accords and the installation of a climate of mutual respect and good-neighborliness will be beneficial for both countries' aspirations to integrate into Euro-Atlantic structures.

At the conclusion of his interview, Romania's president wished success to the editors of the program "Traditions and Cultural Values on Romanian Soil" on the occasion of the fifth anniversary of the program.

League of PRM Mayors Holds Founding Meeting

AU0403215695 Bucharest Radio Romania Network in Romanian 1800 GMT 4 Mar 95

[FBIS Translated Text] The founding meeting of the association League of PRM [Greater Romania Party] Mayors was held today at the central headquarters of the Greater Romania Party.

The communique issued at the end of the discussions states that the League of PRM Mayors has been set up as a result of the increase in the number of mayors who belong to this party from seven in 1992 to 23 in 1995, to which one should add three deputy mayors. This fact requires the achievement of unitary coordination of the activities carried out by the respective mayors, with a view to ensuring a more effective administration of localities and correct application of the country's laws, especially the land law, for the revival of the Romanian state.

In the opening of the proceedings of the meeting, PRM President Corneliu Vadim Tudor presented the political declaration of the PRM regarding the beginning of the spring offensive against robbery, anarchy, and chaos, a declaration that reveals a detailed examination of our political, economic, and social life; the activity of the institutions of the rule-of-law state; and the phenomenon of infraction, corruption, and anarchy that prevail in Romanian society.

During the meeting, the participants established the program of the League's activity, elected the leading bodies, and held talks on the issue of the land law and of the provisions of Law No. 69/1991.

Mr. Victor Chirila, mayor of Varnova commune, was elected to the position of president of the League of PRM Mayors and president of the Mayors' Association in Iasi County.

EU Officials Threaten To Pull Out of Mostar

AU0403171795 Paris AFP in English 1645 GMT 4 Mar 95

[By Francis Curta]

[FBIS Transcribed Text] Sarajevo, March 4 (AFP)—European Union [EU] officials running Mostar are threatening to quit the southern Bosnia-Herzegovina town because Bosnian Croats are refusing to work towards reunification of the divided city.

EU special administrator Hans Koschnik will inform the European Council of Ministers of the Croats' refusal to cooperate with his administration, European Union spokesman Dragan Gasic told AFP Saturday [4 March] by telephone. The ministers might then decide to withdraw the special body set up in July last year.

The special administration was installed for a two-year term to help rebuild the city and foster reconciliation between its previously warring Croat and Moslem communities. This followed the conclusion of a U.S.-inspired peace accord between the two Bosnian communities and their setting up of a federation a year ago.

Mostar, the scene of 10 months of bitter fighting between the two communities, became a litmus test for reconciliation and the durability of the new Federation.

But Gasic said Croat authorities, based in the western part of Mostar, were refusing to recognize the validity of EU identity cards issued to Moslem doctors to allow them to cross over from the eastern part of town. The Croats were also refusing to integrate police forces.

"One side does not accept the authority of the European Union," Gasic said.

Moslem doctors needed access to the large hospital in west Mostar in which the EU had been planning to invest 30 million German marks (20 million dollars) this year, he said.

Meanwhile, the Federation itself looked in growing trouble. Federation President Kresimir Zubak, a Croat, Friday underscored the need for the self-proclaimed Bosnian Croat republic to strengthen its own institutions, the Croatian HINA news agency said in Zagreb.

"It is necessary to strengthen the institutions of the Croat Republic of Herceg-Bosna, as we do not yet know how the war will end and in what political and judicial environment Bosnian Croats will have to live," Zubak said.

In an interview on Bosnian television late last month, Zubak urged caution and a slow approach to building the Federation.

A special U.S.-appointed arbiter, Robert Owen, is expected here next week to help resolve differences between Moslems and Croats arising out of the new constitution.

Separately, the UN Protection Force said Bosnian Army forces had opened fire Friday with mortars on Bosnian Croat and Serb positions in and around Mostar, even shelling its own positions. There were no immediate details on whether they were any casualties or on why the firing took place. Moslems on Friday celebrated the end of Ramadan and the UN attributed some of the increased shooting to celebratory firing by government forces and retaliatory action by the Serbs.

Muslim Ties to West Depend on Bosnian War

LD0503115395 Belgrade TANJUG in English 1110 GMT 5 Mar 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, March 5 (TANJUG)-—Bosnian Muslim Prime Minister Haris Silajdzic has said the Islamic world's cooperation or confrontation with the West depends on the outcome of the Bosnian civil war.

The Bosnian-Muslim controlled Radio Sarajevo, whose program was monitored in Belgrade, quoted Silajdzic as making the comment on Saturday [4 March] after a meeting with Pakistani Defense Minister Aftab Shaban Mirani [name and title as received]. Mirani is visiting pakistani U.N. troops in Bosnia-Herzegovina, the site of a nearly three-year-old civil war between local Muslims, Serbs and Croats.

Silajdzic said, 'all Muslims in the world are watching the developments in Bosnia-Herzegovina and on the basis of this, they will draw their conclusion whether their relation with the West will be cooperation or confrontation.'

Before meeting Silajdzic, Mirani met with Bosnian Muslim leader Alija Izetbegovic and communicated to him Pakistani Prime Minister Benazir Bhutto's invitation to visit Pakistan.

A large number of Islamic countries support the Muslim side in the Bosnian civil war with funds and political activities in international bodies and organizations. They are also sending men and arms to the Bosnian Muslims despite a U.N. embargo on arms deliveries to the entire territory of the former Yugoslavia in force since the fall of 1991.

Abdic Warns Mitterrand of 'Pan-Islamism'

AU0303163095 Korenica Srpski Radio Korenica in Serbo-Croatian 1800 GMT 1 Mar 95

[Report by Slavisa Sabic]

[FBIS Translated Text] Heavy fighting between the members of Izetbegovic's 5th Corps and the National Defense of Western Bosnia continued today. There has also been some political activity in this area; that of the president of western Bosnia, Fikret Abdic.

[Sabic] Today, the president of western Bosnia, Fikret Abdic, sent a letter to French President Mitterrand, Prime Minister Balladur, and Foreign Minister Juppe, in which he warned them about the escalation of Islamic fundamentalism, which, as he said, threatens to break through to the weary Europe. Stating that his wish is that France hear the truth about the situation in western Bosnia, Mr. Abdic pointed out that the problem in western Bosnia is not a conflict between people, but between two policies—Pan-Islamism supported by the official authorities in Sarajevo headed by Alija Izetbegovic on the one hand, and the policy of resolving problems in a peaceful way, the goal of which is to save the people, on the other. Emphasizing that the French UNPROFOR [UN Protection Force] troops have served honorably in the peace mission on the territory of the former Bosnia-Herzegovina, Mr. Abdic invited President Mitterrand, Prime Minister Balladur, and Foreign Minister Juppe to have France, a country of high moral norms, as Mr. Abdic said, become actively involved in the resolution of the problem of western Bosnia.

General Says Serbs To Prevent Arming of Muslims

LD0503121795 Belgrade TANJUG in English 1125 GMT 5 Mar 95

["Pool" item]

[FBIS Transcribed Text] Zvornik, March 5 (TANJUG)—A Bosnian Serb army high-ranking official has said the Bosnian Serb army will be forced to prevent a further arming of Bosnian Muslims via Tuzla airfield in northeastern Bosnia.

Maj.-Gen. Milenko Zivanovic told TANJUG on Sunday [5 March] that the Bosnian Muslim side 'is getting ready for another offensive against the Bosnian Serb republic rather than for a peaceful settlement.'

Maj.-Gen. Zivanovic said 'arms and military materiel shipments via Tuzla airfield' were 'no mystery' to the Bosnian Serb side.

Bosnian Muslim authorities in the town of Tuzla have denied U.N. peacekeepers access to the airfield. Foreign media have in the past few weeks reported on planes with arms for Bosnian Muslims landing at Tuzla airfield.

The Bosnian Serbs last year made the opening of Tuzla airfield to humanitarian purposes conditional on the presence of U.N. Protection Force monitors and Bosnian Serb representatives at the airfield.

Karadzic, Krajisnik Address Group on Economy, War

AU03032[illegible]995

[FBIS Editorial Report] Banja Luka Srpska Televizija in Serbo-Croatian at 1930 GMT on 2 March carries an unattributed report on Bosnian Serb leader Radovan Karadzic and Assembly Chairman Momcilo Krajisnik meeting with economists and local businessmen in Milici on 2 March. Velibor Ostojic, executive committee president of the Serbian Democratic Party, and Bosko Antic, president of the Srpska republic Chamber of Commerce, are also in attendance. Karadzic addresses the group on the economic situation, as well as a possible end to the war and the Z-4 maps, while Krajisnik discusses the economic blockade and the country's defense.

Karadzic begins his speech by saying that "much of what we produce used to be exported to Serbia and that many of our primary materials used to come from Serbia. We constitute approximately 25 percent of the economic territory of Yugoslavia and Serb lands, but they are suffering even greater damage from that. It may sound paradoxical, but they are, because we are their manufacturing associates, their subcontractors. We produce a small cog for their big machine. We suffer because we cannot produce that cog, but they suffer more because they cannot make a big machine for lack of that small cog, except if they become self-sufficient, complacent, and exclude us from their economic future. Of course, this does not refer to Serbia, because most of its people, regardless of their party affiliation, are with us 100 percent, especially those who know the truth. They know we must not and do not have to accept the plan, and they know that the blockade on the Drina River should not exist."

He then went on to explain that the patriotic war is drawing to a close, that the established borders must be defended, and that on the domestic scene we must see to it that we have as normal and as peaceful a life as possible. He says that "even though the two months of the cease-fire are inevitably lost, we can expect the United States to ultimately want to end this war. We often use soccer terminology, for there is a referee in this game—after all, a director who is outside our territory who decides when and where we will fight. They are doing it so skillfully. They know very well what we cannot accept, and they put it on the negotiating table, we simply reject it, and the war goes on. Or, they persuade the Muslims to reject the Stoltenberg plan, and the war goes on."

Karadzic then says that "our people love their freedom and they accepted our rejection of the Contact Group plan, and because of the maps, too. We rejected the maps, not the entire plan. But we would also reject constitutional principles, for we will not accept anything short of a state. This is out of the question because of the young men who were killed, whom I mentioned in the beginning, because of this generation, and because of our children."

"Only an international border between us and the Muslims will prevent them from waging more war on us," states Karadzic. "If there is an administrative border between us and the Muslims, they will again plan to seize Serbian territory sooner or later, to appropriate that territory. Only an international border guaranteed by the world between us and the Muslims will prevent further conflicts," confirms Karadzic.

In his speech, National Assembly Chairman Momcilo Krajisnik expressed his satisfaction with the exchange of information and the fact that people consider defending their country to be their first and foremost duty.

"I think we must heal and defend our country and this region. We should concentrate all our efforts on collecting everything that we are prepared to use for our defense in this war," said Krajisnik.

His third impression is that "we have all come to the conclusion that the Drina River blockade is a serious problem. It is a psychological, economic, and political problem, one upon which our life hinges, but I have not heard a single harsh word or criticism about Serbia, which is good. Our policy must see to that we put all things in order and fight for that within our power. We should send messages to our brothers, so that they know our opinions about what they are doing." "Furthermore," Krajisnik says, "I have come to the conclusion that we have economic, political, state, and other resources—here is the wealth of the Serbian Republic. Here we have responsible people who—God willing, once everything is back to normal—will not only be a part of the most prosperous part of the Serbian Republic, but also of economic and state. What we feel here is that the people support the state."

Ganic Comments on Founding of Herzegovina Canton

LD0503195195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1900 GMT 5 Mar 95

[FBIS Translated Excerpt] [Announcer] The founding session of the Herzegovina Canton was held in Posusje yesterday. [passage omitted] Especially for the evening news, Ejup Ganic, a member of the Republic's Presidency and the vice president of the Bosnia-Herzegovina Federation, speaks about this important step in the process of implementing the Federation's Constitution and the Washington Agreement.

[Begin Ganic recording] The mandate of the deputies to that cantonal assembly was approved at the session. Mr. Topic was elected president of the assembly. The assembly adopted draft laws for the canton, and a plan for its further development was drawn up. The assembly was also attended by Mr. Zubak, Mr. Vidic, the president of the Constitutional Assembly, and myself. To a certain extent we took part in the preparations for the session.

Bearing in mind that by the end of the month the Zenica-Doboj Canton will be formed, and that the Bosniaks have prepared a list of candidates for the deputies to be endorsed for the Central Bosnian and Neretva Cantons, we could soon complete the whole work, in other words, all the cantons in the Federation could start functioning as specified in the Vienna Agreement. We will have to hold a lot of talks, have many discussions of problems, and overcome obstacles concerning the Central Bosnian and Neretva Cantons. But we are working on it already. The setting up of the Herzegovina Canton is an important step and we are going in the direction of setting up the Federation through the work of this assembly in Posusje. There is opposition, but there is also a methodology on how to overcome the opposition. [end recording]

Mladic Claims 'Discrimination' in Aid Distribution

AU0503202695 Paris AFP in English 1956 GMT 5 Mar 95

[FBIS Transcribed Text] Sarajevo, March 5 (AFP)—Bosnian Serb commander-in-chief General Ratko Mladic on Sunday [5 March] alleged discrimination in the way humanitarian aid is allotted to Moslem-held enclaves and to his own people in eastern Bosnia.

At a meeting near here with UN Bosnia force commander, General Rupert Smith, Mladic complained about the effects international sanctions were having on the Serb population in the east of the country and demanded increased humanitarian deliveries for them, a UN Protection Force spokesman said. He alleged there was an "imbalance" in the aid given to his side compared to that destined for the three Moslem-held enclaves of Srebrenica, Zepa and Gorazde, Major Herve Gourmelon said.

Smith was understood to have asked Mladic to lift restrictions imposed by the Serbs on the delivery of supplies to the besieged enclaves. UN special representative Yasushi Akashi on Saturday wrote to Bosnian Serb leader Radovan Karadzic calling on him to immediately lift restrictions to the dispatch of medical supplies to the eastern enclaves.

The Serbs have held up deliveries of medicine to civilians in the enclaves since November and even supplies destined for UN peacekeepers have been stopped since January 19, according to Lieutenant-Colonel Gary Coward. A food convoy for Dutch blue helmets in Srebrenica finally got through to the pocket on Sunday morning, hours after the UN troops' emergency rations had run out.

UN Flights to Sarajevo Airport Resume

AU0303125095 Paris AFP in English 1236 GMT 3 Mar 95

[FBIS Transcribed Excerpt] Sarajevo, March 3 (AFP)—United Nations and aid agency flights resumed Friday [3 March] at Sarajevo airport after being suspended the previous day when shots were fired at an aircraft for the third time in a week, a UN spokesman said.

UN Protection Force spokesman Colonel Gary Coward said flights resumed at 8:00 a.m. (0600 GMT) Friday.

Some 19 flights were scheduled Friday, comprising 14 UNHCR planes, four UN aircraft and one flight for the International Committee of the Red Cross. [passage omitted]

UNPROFOR meanwhile said that a civilian shot by a sniper in the Luzani district of Sarajevo Thursday had died.

Relief Workers Stray Into Serb Area, Are Held

AU0503142295 Paris AFP in English 1022 GMT 5 Mar 95

[FBIS Transcribed Text] Sarajevo, March 5 (AFP)—Five members of a humanitarian relief group were detained by Bosnian Serbs after straying by mistake into their territory, a UN Protection Force spokeswoman said here Sunday [5 March].

The four French and one American from the "Pharmaciens sans Frontieres" (pharmacists without borders) medical aid organisation were held by Serb police Saturday after losing their way while driving out of Sarajevo aboard three trucks and inadvertently entering Serb-held territory, Captain Myriam Sochacki said. The trucks were travelling back empty after delivering medical aid to Sarajevo.

Negotiations were taking place to obtain their release, Sochacki said. Meanwhile, the Serbs Saturday prevented a convoy of empty trucks from the office of the Special Coordinator for Sarajevo, responsible for helping rebuild the city, from crossing the UN-held airport.

Serb officers at the airport objected to the route being used by the trucks, Sochacki said. The airport crossing, the only road linking Sarajevo to the outside world, was opened to civilian and humanitarian traffic early last month in line with a four-month truce agreement between the warring parties signed at the start of the year.

'Terror Campaign' Against Muslims in Northwest

AU0503141995 Paris AFP in English 0322 GMT 5 Mar 95

[By Victoria Stegic]

[FBIS Transcribed Text] Novska, Croatia, March 5 (AFP)—A new terror campaign has been unleashed against Moslems in parts of Serb-held northwest Bosnia, according to refugees crossing into Croatia.

Nermina, 35, from the Moslem hamlet of Dzube, near Banja Luka, fled across the border with her two sons after armed and masked men beat up her mother and brother and looted their house.

UN High Commissioner for Refugees (UNHCR) spokesmen here and in Sarajevo have spoken of a campaign of violence against Moslems in the Banja Luka area, following one in March last year during which 27 people were killed in the nearby town of Prijedor. "Ethnic cleansing" involving the forced expulsion of Moslems, Croats and other minorities, including gypsies, has taken place in Serb-held territories since the beginning of the war, nearly four years ago.

But, recently after a lull of several months during which there has been a "dramatic" increase in the level of violent incidents, according to Zagreb UNHCR spokeswoman Alemka Lisinski. Nermina and her children have been given shelter for the past week by the UN Protection Force Jordanian battalion, based just off the Zagreb-Belgrade motorway, about 100 kilometers (60 miles) east of Zagreb.

Along with 149 other Moslems who fled the Banja Luka area in January, they live in a dozen containers packed with bunk beds. "Recently, men, some in civilian clothes, others in uniform, masked and armed with rifles and grenades have broken into houses, shooting and looting whatever they pleased," said a refugee from Garici, a village deep in Uzlomac mountain, some 50 kilometers (30 miles) from Banja Luka.

"We were more than 1,000 inhabitants six months ago. Now there are only 300 left," the man in his 60's said. None of the refugees wished to be identified, so as not to endanger relatives still in Bosnia who themselves hoped to join them in exile as soon as they could put together the 1,250 to 1,800 dollars per person, payable in German marks, needed to be allowed out of the country.

"They used to come in the middle of the night and take us to dig trenches and use us as human shields on the frontlines," one man said. "We were forced to stand without moving for hours. Many just passed out," another refugee said.

They kept shouting at us: "What are you waiting for to go. We're going to slaughter you," one woman said. "At the doctor's surgery, one could hear people say—it stinks of Balija here (a pejorative name for Moslems used by Serbs)," she added.

The UNHCR said all 59 Dzube inhabitants asked to be evacuated after coming under repeated attacks. On February 15, a group of young armed and masked men tried to rape one woman at her home. They then threatened to slit her child's throat and forced her to hand over 300 marks she had stashed away.

A few days later, four armed men shot up the windows of a village elder and then ransacked his home. A UNHCR representative found a man in the house, his ears covered with blood. In another village, five families pleaded to be evacuated after a man and his son were shot and seriously wounded inside their home.

The UNHCR said that while it was not certain the attacks were planned, "authorities in Banja Luka did not look as if they were trying to end ethnic cleansing of minorities in northern Bosnia." The departure of non-Serbs from the Banja Luka region has picked up since the beginning of the year.

Some 1,300 Moslems and Croats arrived in Croatia in January, compared to 800 in December. Of the 1.73 million Moslems and Croats who used to live in Serb-held parts of Bosnia, nearly 80 percent have been expelled, jailed or killed, according to a recent U.S. State Department report.

UN Warns Tension Threatens To 'Reignite' War

AU0403153895 Paris AFP in English 1323 GMT 4 Mar 95

[By Francis Curta]

[FBIS Transcribed Excerpt] Sarajevo, March 4 (AFP)—Rising military tension is threatening to reignite the Bosnian war midway through a four-month truce, the UN said Saturday [4 March] in a strong warning to the belligerents.

A spokesman for the UN Protection Force (UNPROFOR) said clashes, notably in the northwest Bihac pocket, continued despite the signing of the truce at the start of the year, and now "threaten the future of peace in this country."

UNPROFOR also strongly condemned renewed sniping attacks in downtown Sarajevo, which Friday left four people injured, among them a French UN soldier. This followed a series of shooting attacks over the past days, including two attacks against trams.

"The United Nations calls on the warring parties to show maximum restraint at this time (...) and to enforce the discipline necessary to halt cowardly and outrageous attacks on civilians and on peacekeepers," UNPROFOR spokesman Colum Murphy said.

Snipers "are taking a direct aim at the peace process," he said. He also warned Bosnian Serbs that the UN would not tolerate a blockade of the Moslem-held eastern enclaves and termed "intolerable" current restrictions to deliveries of aid, notably medicine. The situation of the three eastern enclaves of Srebrenica, Zepa and Gorazde was growing steadily worse, the UN said. [passage omitted]

UNPROFOR was reviewing contingency plans for getting aid into the enclaves should the blockade remain in force, Murphy said, adding that air drops had not been excluded. Delivery of aid to government-held territory in Bihac has also been halted since the beginning of the week, initially by fighting and later by the refusal of breakaway Serbs in neighbouring Croatia to allow convoys through.

Bosnian Serbs, for their part, have informed the office of the UN High Commissioner for Refugees that no convoys will be allowed into Sarajevo next week. No reason was given for the move. [passage omitted]

Debate on Confidence in Mikelic 'Ill-Timed'

LD0503152995 Belgrade BETA News Agency in Serbo-Croatian 1131 GMT 5 Mar 95 (tentative)

[FBIS Translated Excerpt] Kragujevac, 5 Mar (BETA)—Rajko Lezajic, president of the assembly of the republic of Serb Krajina [RSK], today said that the initiative for a debate on confidence in Prime Minister Borislav Mikelic was "ill-timed."

Speaking on the Kragujevac Radio program "The Seal of the Times," Lezajic stressed that "any political tremor will seriously affect the RSK's defense ability."

Lezajic specified that no one could dissolve the RSK assembly and that—in case the prime minister does not survive the vote of confidence—his cabinet would remain in power until the election of a new prime minister.

The initiative for the debate on confidence in the Krajina prime minister will be discussed on 8 March in Knin, he added, when the RSK parliament resumes its session. [passage omitted]

Municipal SDS Members Issue Support to Martic

AU0403185395 Banja Luka Srpska Televizija in Serbo-Croatian 1930 GMT 2 March 95

[FBIS Translated Text] Today in Okucani, Serbian Democrats gave their wholehearted support to the views of President Milan Martic. A letter of support sent to the president and to the national assembly contains a message that not only gives support to recently expressed views regarding the dismissal of Krajina Prime Minister Borislav Mikelic, but that also fully approves of all recent moves of President Martic and President of the Srpska republic Radovan Karadzic, designed to establish closer ties between the two youngest Serb states. That is particularly important today, for the threats issued by Republic of Croatia are ever so loud and direct.

Members of the Serbian Democratic Party [SDS] of Serbian Lands from the municipality of Okucani were pleased to receive an open letter from the president of the SDS Executive Committee, Velibor Ostojic, asking all SDS members to do their best to strengthen the party and to distance themselves from those whose work and activities are aimed against that cause. Okucani SDS members approve of the proposal contained in Mr. Ostojic's letter asking SDS members and deputies to give their support to deputies of the Serbian Radical Party and the Krajina SDS, as it would soon be united into a unified Serbian Democratic Party.

Mikelic Views UNPROFOR, 'Condemnations'

AU0403213095 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 4 Mar 95

[Interview with Borislav Mikelic, prime minister of the republic of Serbian Krajina, by Dusanka Radmilovic; place and date not given—recorded]

[FBIS Translated Text] [Radmilovic] Mr. Mikelic, you have heard that, as the time of the UNPROFOR [UN Protection Force] mandate expiration is coming closer, there have been more and more appeals issued in the world for Croatian officials to give up that demand. On the other hand, there have been more and more statements by Croatian politicians to the effect that they will regain, as they put it, their territories by force. True, some of them, such as Defense Minister Gojko Susak today, speak of limited actions, and others, such as General Bobetko for instance, announce a military coup in which they say they will go to the very end. Is what is involved here the well-known empty strategy of the Croatian top political leadership or something else?

[Mikelic] Well, a few days ago I said what this present moment of uncertainty portends. At the moment when Croatia withdrew the mandate from UNPROFOR, when the Croatian assembly actually endorsed this decision of Tudjman's, and when our assembly delayed further negotiations until this issue is defined, a kind of nervousness was created of course. I think that the world community, above all the United Nations and Butrus-Ghali, as well as the two cochairmen—who have recently positively reacted to the process that was going on between the republic of Serbian Krajina [RSK] and Croatia—should have already reacted in a specific manner. I said that in 10 days time it can already be too late. There can really come to some problems if things remain within their present limits.

These statements made by both Susak and Bobetko are following in the trail of their earlier statements. The present situation is probably good for making statements. I do not intend to make statements that would in any way rekindle the war atmosphere. I think that things are still kept under control, that UNPROFOR is here, that the United Nations can react promptly and that all these, how shall I put it, strong powers that have had influence on Croatia to date as well, powers such as the United States and Germany, can make this move quickly and thereby stop any war option that could emerge between Croatia and the RSK.

[Radmilovic] How do top Krajina politicians interpret the world diplomatic actions directed toward allowing the blue helmets to remain in the UN protected areas, and what is meant under the intention to change the blue helmets' mandate and status, something that will—as you heard in our newscast—be discussed at the meeting of British, U.S., French, and German defense ministers? I would also ask you why Russia will not take part in that meeting.

[Mikelic] I think that such a meeting is really necessary, but Russia would have to attend it as the Russian ambassador and everybody else to date—in the Security Council as well—had an active participation regarding the all-Yugoslav crisis including this about Krajina. I think that this urgent meeting is indispensable. As regards views of it by our Krajina top leadership, well, it would certainly like UNPROFOR to remain with its current mandate; that is, it would like Krajina to remain a protected zone. If there are some corrections, well, we did not insist for the present number of UNPROFOR members to remain. It may also be lower. However, all those regions that used to be protected must still be protected and Krajina should remain a protected zone. Thus, it is our aim to resume negotiations immediately. Some things here will come very soon, I think that this is the case in the economic sphere: There will be some very specific achievements in the field of water, electricity, and even railroads, so these present tensions will very soon subside.

[Radmilovic] This is certainly encouraging. However, Mr. Mikelic, you will agree with me here that these things happening on Krajina's internal political scene are causing great concern with the Serbian people these days. Let me recall, there is the demand on the part of President Martic and deputies of above all the Serbian Radical Party, for the assembly to discuss confidence in you and your cabinet. What is the meaning of this demand which, if I may remark, reveals a surprising sameness of views between President Martic and the Radicals?

[Mikelic] First I would like to say that I am really sorry about such a, shall I say, public demonstration some 20 days before this UNPROFOR mandate expires, at the time when we are all concentrated on how to find the way out of this whole situation. And this government headed by me has done a lot about the negotiating process, calmed down many a tense situation, and contributed to certain economic benefits. Only I know how many hours I spent and how many restless nights and days I had with a view to having this thing function as much as it does so at the moment. I am myself very surprised that such a demonstration took place in which both the government and I are publicly condemned in such a way. Before that was done by Martic, my government and I were thus condemned by Vojislav Seselj. Such condemnations were issued also by some representatives of the Serbian Republic.

I am not going to make connections between all this now. We have issued one announcement on behalf of the government in which we took a principled stand on some issues contained in that initiative. We shall leave the rest to the assembly. I am not prepared now to deepen the accusations or extend them to this or the other person. Everything that I have to say I shall say at the assembly session on 8 March. It seems to me that the assembly has so far had an understanding for that which was done by the government and me. It is indisputable that everybody makes mistakes and errors—both the government and ministries—and nobody in Krajina can be spared criticism. Let me put it this way: In Serbia, the opposition is attacking Serbian President Milosevic; in Croatia, the opposition is attacking Tudjman; in any other country they are attacking the leading man. What happened here is different: Here the president of the republic accompanied by a part of the opposition is attacking the government and the prime minister. Let the citizens of the whole of Serbia and the Federal Republic of Yugoslavia, the Srpska republic, and the RSK examine that. I am not going to issue accusations that would lead to condemnations and in fact worsen the situation in Krajina.

[Radmilovic] Mr. Mikelic, we wish the Serbian people, you, and your cabinet to solve this unenviable situation and thank you for this conversation.

[Mikelic] Thank you very much.

Mikelic, Abdic Allegedly Forming New Province

LD0503150395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 5 Mar 95

[FBIS Translated Excerpt] Units of the army of the so-called Yugoslavia, as well as M-84 tanks and 122mm howitzers and other military weapons, are being taken across pontoon bridges over the Drina river again today, on their way to the Bihac battlefield. [passage omitted]

The news just in is that Borislav Mikelic, the prime minister of the so-called republic of Serb Krajina, who Milan Martic is trying to remove from his position, has announced the creation of a new so-called autonomous province that would be called central Croatia. According to Mikelic and Fikret Abdic's plans, that province would link up with the former so-called autonomous province of western Bosnia. This demonstrates the depth of the rift among the aggressors who keep accusing one another of the responsibility for the huge defeats on the Bihac battlefield. They are using Abdic as (?the strong card) for their daily political needs.

Reports of Conflicts Among Krajina 'Warlords'

LD0503190395 Zagreb HTV Television in Serbo-Croatian 1830 GMT 5 Mar 95

[FBIS Translated Text] After Martic's demand for Mikelic's dismissal last week, the conflict between the Serb warlords in the UN-protected areas [in Croatia] is becoming increasingly complicated by the day. The Serb Radical Party from Knin has invited Babic's Serb Democratic Party to form a coalition. The reason for forming this coalition is to protect Serb national interests and to replace Mikelic, accused of being Milosevic's man who, and I quote, has infiltrated into Krajina to help Croatia reestablish its authority.

UN Spokesman: Tensions Mounting Along Border

LD0303174995 Belgrade TANJUG in English 1624 GMT 3 Mar 95

["Pool" item]

[FBIS Transcribed Text] Knin, March 3 (TANJUG)—Tensions mount along the line separating Croatia and the republic of Serb Krajina [RSK] in sector south of the

U.N. Protected Area as the end of the mandate of the U.N. Protection Force [UNPROFOR] troops draws near, UNPROFOR spokesman Alun Robert said Friday.

The situation is very serious along the line of separation between the towns of Gospic and Otocac, Robert told a news conference in Krajina's administrative centre of Knin. Croatian forces between Gospic and Otocac are not allowing U.N. troops to monitor the buffer zone, which is rightly a cause of concern to the Serb side, Robert said. He said UNPROFOR had understanding for the fact that Krajina Serbs did not want to withdraw their artillery.

The U.N. spokesman said cooperation of both the Croatian and the Krajina Serb sides with UNPROFOR was growing weaker due to the currently uncertain situation regarding the U.N. peacekeepers' mandate. Robert said Serb Krajina authorities continued voicing readiness for and showing interest in cooperativeness and cooperation with UNPROFOR.

He said he did not see who else but the United Nations could oversee the ceasefire and guarantee the implementation of the republic of Serb Krajina-Croatia economic agreement.

Croatian President Franjo Tudjman has decided to deny hospitality to UNPROFOR troops after their current six-month mandate expires on March 31 and to give them three months to pull out.

U.N. Protection Force troops were deployed in Croatia and the republic of Serb Krajina in March of 1992, under a plan of U.N. negotiator Cyrus Vance, with the mandate to separate the two warring sides until a political solution to their conflict. The republic of Serb Krajina was proclaimed by the local Serbs in 1991 after Zagreb launched a war of secession from the former Yugoslavia and downgraded Serbs to a national minority.

Although the territory of the republic of Serb Krajina has been under U.N. protection since the Spring of 1992, it has been the target of Croatian aggression four times since.

RSK Continues To Boycott Economic Issues Talks

LD0303145195 Belgrade TANJUG Domestic Service in Serbo-Croatian 1332 GMT 3 Mar 95

[FBIS Translated Text] Belgrade, 3 March (TANJUG)—The talks between the Serb and Croatian sides in the [joint] commission for implementing the economic agreement on the [Zagreb-Belgrade] highway and the pipeline, which were scheduled for today were not held, the [Krajina Serb] ISKRA news agency reported.

UNPROFOR's [UN Protection Force] representatives did not explain why the meeting was not held, the agency added. Mile Bosnic, head of the Krajina side of the commission, told ISKRA that UNPROFOR was informed yesterday that the Krajina delegation would not attend the meeting, which was to have taken place in the Jordanian battalion's base.

Although we have many complaints about traffic on the highway, we cannot accept the proposal to hold a second meeting of the Central Joint Commission. I hope that the circumstances for the meeting and a discussion of the problems in implementing the agreement will be more favorable soon. This is stated in a message which Bosnic sent yesterday to (Michel Musali), head of UNPROFOR's civilian affairs.

Bosnic said that the Krajina negotiators observed the decision of the assembly of the republic of Serb Krajina [RSK] to freeze the talks until the UN peace forces' mandate is extended.

Herceg-Bosna Presidential Council Holds Session

LD0403155195 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 4 Mar 95

[Report by Ivan Kristic]

[FBIS Translated Text] At the session of the Presidential Council of the Croat Republic of Herceg-Bosna, which is the republic's collective leadership, Major General Tihomir Blaskic, chief of the General Staff of the Croat Defense Council [HVO], submitted a report on the military and security situation, which the council endorsed. The council charged the Defense Ministry and the General Staff with drawing up a new plan adapted to the new situation.

It was decided today to introduce a decoration for the war for the homeland. The design created by painter Andjelko Mikulic was approved. A commission for presenting the award of Herceg-Bosna was set up. The Presidential Council endorsed the initiative to set up the center for scientific research about international relations and processes in society.

It also endorsed Gen. [name indistinct]'s initiative to pass legislation banning professional HVO officers from engaging in any private businesses while in active service. The council suggested that the Herceg-Bosna government apply this law to all leading officials in the top state bodies.

The center for combating crime and illegal actions was disbanded today. Its duties will be taken over by the legislative, executive, and judiciary authorities. This was said in a statement from today's session of the Presidential Council of Herceg-Bosna.

Army Commander Threatens To 'Take' RSK

LD0403165495 Belgrade TANJUG in English 1621 GMT 4 Mar 95

["Pool" item]

[FBIS Transcribed Text] Zagreb, March 4 (TANJUG)—Chief of the Croatian Army General Staff Gen. Janko

Bobetko said on Friday that Croatia would, if it had to, take the republic of Serb Krajina [RSK] at the time it found most appropriate.

Bobetko was quoted by Saturday's newspapers as telling a police function in the eastern Croatian town of Osijek on Friday that 'Zagreb faces a history-making decision' on establishing 'Croatian authority throughout the territory of Croatia.'

Croatia has called off hospitality to the U.N. Protection Force after its six-month term expires on March 31, and renewed its war threats to the republic of Serb Krajina on which it wants to impose its authority.

The republic of Serb Krajina was formed in 1991 by Serbs in their ethnic and historical areas in the former Yugoslav Republic of Croatia in reply to its forcible secession from the former Yugoslav Federation and its denial of the Serb people's status of a constituent nation.

Bobetko said international factors had been told that Croatia would take Krajina 'with its own forces' if 'it had to do it.' He said Croatia would choose the most favorable moment for such a move.

Unlike Defense Minister Gojko Susak, who speaks of 'limited military actions,' Bobetko says that once a decision on military strikes is made, the Croatia army 'will not liberate two villages' but 'will go all the way' to 'liberating every inch of Croatia's soil.'

Croatia had already undertaken four 'limited military actions' against the republic of Serb Krajina since March, 1992, when Krajina became a U.N. protected area.

Crnic Denounces 'Totalitarianism' in Resignation

AU0303200295 Paris AFP in English 1944 GMT 3 Mar 95

[FBIS Transcribed Text] Zagreb, March 3 (AFP)—Croatian Justice Minister Ivica Crnic, who resigned Friday, denounced the arrival of "totalitarianism" in Croatia in his letter of resignation to Prime Minister Nikica Valentic.

In the letter, a copy of which has been seen by AFP, Crnic said the election in January and February of members of the Council of State was conducted "in violation of the law" and the vote was "rigged."

Crnic stepped down following the rejection of nearly all his candidates for the council, a body of magistrates created last month to monitor the autonomy of the judiciary and to appoint a Supreme Court. Named instead were nominees proposed by an adviser to President Franjo Tudjman. Opposition politicians have strongly contested the impartiality of both the Council of State and the Supreme Court.

The news agency HINA reported that Crnic had submitted his resignation to Prime Minister Nikica Valentic, but gave no details. Crnic attacked other "irregularities" in the legal field and said they called into question the readiness of the authorities to respect the independence of the legal system. He criticized the measures taken against magistrates who did not toe the official line and denounced "non-democratic and totalitarian processes in which I do not wish to take part."

He was appointed justice minister in August 1992 by the prime minister then in office Hrvoje Sarinic and reappointed in April 1993 by Valentic. He was the only member of the Valentic cabinet not to belong to the ruling HDZ [Croatian Democratic Community] party of President Franjo Tudjman.

Minister Susak Meets Pakistani Counterpart

LD0303211395 Zagreb HTV Television in Serbo-Croatian 1830 GMT 3 Mar 95

[FBIS Translated Text] [Announcer] Defense Minister Gojko Susak met with Aftab Shahban Mirani, defense minister of the Islamic Republic of Pakistan.

[Correspondent] Pakistani Defense Minister Aftab Shahban Mirani today visited 3,000 soldiers in Bosnia-Herzegovina serving with UNPROFOR [UN Protection Force] and extended to them his greetings for Ramadan.

Later on, at Pleso Airport, he met Croatian Defense Minister Gojko Susak.

[Begin recording Mirani, in English with superimposed translation into Croatian] We had an interesting conversation with the Croatian defense minister and we asked him to convey to the Croatian Government our wishes for a Croatian Embassy to be opened in Pakistan as soon as possible. Our ambassador is already working in Zagreb. [end recording]

The Pakistani defense minister invited minister Susak to visit Pakistan.

[Begin recording Susak] We discussed UNPROFOR's mandate. I explained to them Croatia's stand on the termination of UNPROFOR's mandate in Croatia and also Croatia's offer to UNPROFOR to keep its command and logistics in Croatia, which they welcomed. [end recording]

[Correspondent] The Pakistani defense minister will also meet representatives of the Bosnia-Herzegovina Government tomorrow.

Andov, Tetovo MP's Discuss Need for 'Trust'

AU0303181895 Skopje MIC in English 3 Mar 95

[FBIS Transcribed Text] The Speaker of Parliament Stojan Andov received a delegation of the Macedonian political parties, MPs and associations from Tetovo. As it was announced, the parliamentary speaker was informed about the current political situation in the Tetovo municipality, following the events with the so-called university in Albanian language.

The MPs from Tetovo emphasized their readiness, together with the representatives of the Albanian parties and other associations, to find the correct way of overcoming the present situation, and expressed efforts to further building up the mutual trust and co-existence. That way, as it was emphasized, the problems also present in the other fields of the citizens' lives, regardless of nationality, would also be able to be overcome. The announcement says that the citizens have always been turned toward each other, and solved the problems together.

Supporting these efforts, Andov pointed out the necessity of mutual direct dialogue through which the present tensions could be overcome, whereby the mutual respect and tolerance is of particular importance. In building the mutual trust, the feeling of responsibility and respect of the Constitution and laws will also be built.

Skopje Paper Assails Albania's President

LD0503185095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1446 GMT 5 Mar 95

[FBIS Translated Excerpt] Skopje, 5 Mar (TANJUG)—The leading Skopje newspaper NOVA MAKEDONIJA writes today that "Albanian president Sali Berisha has finally laid his cards on the table and has stopped bluffing."

His tranformation from "a well-meaning friend of Macedonia [The Former Yugoslav Republic of Macedonia]" and "a peacemaker in the Balkans" into "a proponent of war and greater Albanian ambitions" and "yet another who has decided to deny the existence of the Macedonian state and nation" culminated two days ago at a joint news conference in Tirana at the end of a visit by German President Roman Hercog, the progovernment paper says.

On that occasion Berisha denied the existence of the Macedonian national minority in Albania and recognized "only one Slav group" as existing; he was not sure if it was "of Bulgarian or Macedonian origin," the NOVA MAKEDONIJA commentator writes and goes on to note that "even the previous regime of Enver [Hoxha] would not have allowed itself this approach." [passage omitted]

Tetovo PDP Hosts Visit by Albania's ADSh

95P20564A Skopje FLAKA E VELLAZERIMIT in Albanian 2 Feb 95 p 4

[Unattributed article: "Joint Communique on the Meeting of the PDP and the ADSh—At the Center of the Discussions: the Fate of the Albanians and the Road to Europe"]

[FBIS Translated Text] Tetovo, 1 February—Within the framework of cooperation between the Party for Democratic Prosperity [PDP in Macedonia and Albania] and the political parties of Albania, the first official meeting was held today at PDP headquarters in Tetovo between the directors of this party and a delegation from the Albanian Democratic Alliance (ADSh), headed by ADSh chairman Neritan Ceka accompanied by Ridvan Peshkepia, deputy of the People's Assembly of the Republic of Albania, and Prec Zogaj, ADSh press director.

The PDP participants in the meeting were party chairman Abdurrahman Aliti; deputy chairmen Muadin Bajrami and Xhemail Hajdari; general secretary Naser Zyberi; and Muhamed Halili, minister without portfolio in the government of Macedonia, and Gazmend Hajdaraga, deputy chairman of the PDP parliamentary group in the parliament of Macedonia [The Former Yugoslav Republic of Macedonia].

In a very warm and fraternal atmosphere, the chairmen of the two parties and the other participants at the conference table presented the main lines of their political programs and stressed the contemporary spirit of the dialogue and the European orientation that characterizes the political action of the PDP and the ADSh as a guarantee of the promotion of their objectives.

In addition to the specific concerns of each party in regard to the area in which they operate and their characteristics, the discussions were focused on important issues such as the fate of the Albanians in the present and future situation in the new Europe; the role of the political parties in the uninterrupted reduction and elimination of the contrast between the legitimate aspirations of Albanians and their present situation; the need to find effective means for the rapid integration of Albanian political parties into European political forums, etc.

The discussion of these issues was characterized by complete openness, free exchange of opinions, and agreement on many matters of current and future political importance. The meeting concluded with the commitment of both parties to continue regular contacts, exchange information, and achieve a fruitful synchronization of political activity. In this framework, the chairman of the ADSh, Neritan Ceka, invited Abdurrahman Aliti to visit the ADSh in Tirana.

According to the joint communique issued by the PDP information service and the ADSh press office, the PDP plans to hold such meetings in Tetovo with other parties from Albania.

Italy's Decision To Lift Veto on EU Hailed

AU0403170095 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Mar 95

[FBIS Translated Text] At its extraordinary session held today, the Government of the Republic of Slovenia confirmed the positive orientation on the part of Slovenia regarding joining the European Union [EU] on the basis of the declaration that the government adopted on 30 September last year. Ministers confirmed our country's readiness to harmonize its legislation in the process of rapprochement to the EU. They hailed Italy's decision to lift on 6 March its veto on a mandate to open possibilities for starting a constructive dialogue on all open issues without pressures or conditions regarding our rapprochement to the EU.

As regards the negotiations with the European Commission regarding Slovenia's associate membership in the EU, the government is ready to hold bilateral negotiations with Italy. The government will propose possible solutions to problems with Italy to the State Chamber, in which connection it would proceed from the Rome and Osimo agreements. Contributing to the constructiveness of the negotiations will also be the changed attitude toward the Slovene minority in Italy, which has lately been exposed to additional economic pressures.

Drnovsek Comments

AU0403173695 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Mar 95

[Statement by Prime Minister Janez Drnovsek following a government session; in Ljubljana on 4 March—recorded]

[FBIS Translated Text] At its session held today, the Slovene Government hailed the Italian Government's decision to give a green light to the beginning of negotiations on Slovenia's associate membership in the European Union [EU]. During recent months, we carried out a number of activities, a number of diplomatic activities in Europe and the world and such a decision that we expect from the Italian Government and the EU on 6 March was in fact to be expected. A situation in which Slovenia, despite its results, particularly in the economic sphere, could not get a mandate for negotiations about associated membership was obviously unpleasant to the EU, as it differed from all other examples.

Now that this decision has been made and we will start negotiations with the EU without any preceding conditions or concessions that Slovenia would make, and that the Italian Government has finally adopted such a stand and such a position, I think that this is also significant for the development of future relations within the EU. Europe cannot afford the policy of pressures and condition-making. The very fact that Italy will lift its veto will relax the atmosphere in mutual relations and establish possibilities for better negotiations and relations without tensions and with better mutual confidence, and I am convinced that such a more constructive climate will grant possibilities to find solutions to open issues in bilateral relations in the future negotiations.

More on EU Talks

AU0403173795 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Mar 95

[FBIS Translated Text] We have received assurances from government circles today again that, regarding the green light Slovenia will be given in Brussels on 6 March, we have not offered Italy anything that would not be in accordance with government stands, adopted to date and publicly known, -regarding our state's readiness to coordinate with European standards some of the legislation pertaining to property ownership by foreigners.

We have also learned that no prominent officials of our government are to attend the Brussels meeting on 6 March and that no special document will be signed in Brussels on 6 March. If any procedure takes place, the foreign ministers of Slovenia and Italy will issue a special public statement.

Federal

Prime Minister Kontic on Economy, Policy

LD0303195295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1236 GMT 3 Mar 95

[All quotation marks as received]

[FBIS Translated Excerpt] Belgrade, 3 Mar (TANJUG)—Radoje Kontic, prime minister of the Federal Government, today received a TANJUG delegation, headed by director Slobodan Jovanovic, on the second anniversary of his government being in office.

Kontic gave a lengthy interview in which he aired his views on the economic situation, and the measures the Federal Government will take in the forthcoming period. The Federal prime minister said that "We have no reason not to be satisfied with what has been achieved over the past two years, considering all circumstances and limitations. It is true that 3 March will be the Federal Government's second anniversary in office, but its current personnel are considerably different from those at the beginning of the mandate," Kontic said.

"Since the first composition of the government, which then had 24 ministers, only seven original ministers are still in office. The changes came primarily as the consequence of the implementation of the plan to reform the federal administration and reshuffle the Federal Government."

He went on to say that this government works under extremely difficult conditions and circumstances. Its mandate began after the Yugoslav republics had seceded and under the strong impact of the breakup of the earlier Yugoslav market.

"The international sanctions hermetically closed the territory of the Federal Republic of Yugoslavia [FRY]. Negative trends were strong in the economy. In March 1993 we already had a hyperinflation of around 300 percent a month.

"The industrial production was in a free fall, and its monthly decline was expressed in two-digit figures. The dinar was losing fast its properties of a currency. Public expenditures were financed largely from loans from the National Bank of Yugoslavia. Increasing numbers of citizens became dependent on social security, and so on," the Federal prime minister noted.

In early 1994 the hyperinflation was slashed, and stability was maintained throughout last year; in other words, our price hikes have become some of the lowest in Europe. The new dinar is stabilized. The monetary system has been reconstructed. Public expenditure ceased to be financed from the budget. Industrial production has recovered considerably. Personal earnings and the standard of living have been considerably increased, and so on; let me not list everything, he said.

"It is really difficult to find another example of such good results anywhere in the world. Of course, although it was perhaps possible to do more, we simply have no right to be dissatisfied with what has been achieved in the past two years, considering all circumstances and limitations," Kontic stressed. [passage omitted]

When asked to name, in his opinion, the government's biggest achievements and failures in the past two years, Kontic recalled the fact that in March 1993, when the present Federal Government started its mandate, there was no clearly defined economic policy and many sections of the economic system did not function. [passage omitted]

It is quite certain that we encountered numerous restrictions and contradictions when determining our economic policy. Many of them were objective for the government [as received], especially those linked with the international blockade, which was becoming increasingly tight.

The sanctions were imposed by Resolution No. 757 in March 1993. The March inflation increased by nearly 300 per cent, while production dropped by about 15 per cent compared to February figures.

However, on the basis of the implementation of the economic policy measures set by the Federal Government, negative trends began to decelerate in April and May 1993. The price growth in April was nearly 50 per cent down on the previous month. In May prices continued to fall. At the same time positive trends were recorded in the sphere of industrial production and this situation continued until the end of that year.

Unfortunately, these more or less positive trends were halted at the beginning of June 1993 when Resolution No. 820 was passed. Never before had the UN Security Council passed such a rigid resolution. The FRY territory was now hermetically closed. [passage omitted]

Asked what steps the Federal Government is undertaking to lift the sanctions, which are considerably restricting the Yugoslav society, Kontic stressed that the imposition of sanctions "is a consequence of the international community's inability to resolve the Yugoslav crisis by political means."

The sanctions do not have legal, moral, or political justification, he stressed, and went on to add that they most hurt the broadest, most impoverished section of society.

"The sanctions have proved to be counterproductive in the case of Yugoslavia. Not just that they have not facilitated the peace process; they have directly encouraged extremist and militant forces advocating the war option. Lifting the sanctions against the FRY would make the greatest contribution to peace in the region. Otherwise, a wider region will be destabilized," Kontic said.

Our neighbors, as well as Europe and the world, are increasingly aware of this particular nature of sanctions and their consequences for the stability of the Balkans, Kontic said.

Last November the Federal Government, he continued, informed the UN Security Council in writing that it had fulfilled all the demands raised in Resolution No. 752, and that some fundamental assumptions in the resolution had been unambiguously refuted and that it demanded that sanctions should be lifted.

Regrettably, our initiative has not yet been discussed due to a certain constellation of relations within the UN Security Council.

In addition to this, the premier noted, the Federal Government is continually working to animate friendly countries, as well as those countries which are also being greatly damaged by sanctions, aiming to launch initiatives for lifting the international blockade.

In this context Kontic pointed out "that in this respect, Greece and some of our neighbors are leading the way. Russia has expressed full understanding for our demands. And China has never voted for sanctions."

Our diplomatic activities geared to securing wider support from European countries for the lifting of sanctions are directed at key members of the EU which respect and appreciate the peaceful policy of the FRY in resolving the Yugoslav crisis. One can state that the results are encouraging. Even the U.S. position has notably evolved, the federal premier said. As far as developing countries are concerned, he said, a vast majority of them oppose sanctions as a method of resolving regional conflicts.

Kontic noted that sanctions had been introduced because of the FRY's alleged aggression in Bosnia-Herzegovina. Now that this initial assumption has been successfully refuted and all well-intentioned people know that there is a classic civil war in Bosnia-Herzegovina, some foreign elements are trying to link the lifting of sanctions with some other issues in the Yugoslav crisis.

In the course of this it is not the lifting of sanctions that is being offered, but only their suspension for a certain period. This approach might cause a chain of demands, further blackmail and further conditions. Which is why we find this approach unacceptable.

I want to stress that the lifting of sanctions is a precondition for the development of the peace process. Without it there can be no equal treatment of all parties to the Yugoslav crisis. Nor is there any possibility of finding a global solution to it, the federal prime minister said.

Asked about the FRY's attitude to the efforts of some Western countries to link the lifting of sanctions to the FRY's recognition of Bosnia-Herzegovina and Croatia within their past administrative borders, Kontic said: "First, I want to stress that the FRY has no territorial claims on the former Yugoslav republics. Anyway, it clearly formulated its view on this matter in a declaration adopted by the Federal Assembly on 27 April 1992.

"In reply to your question I would like to point out than any global settlement of the Yugoslav crisis must take into account at least two important criteria: The equality of all actors in the crisis and equal respect for the interests of all the sides involved," Kontic said.

"It is not possible to ensure a negotiating equality without the abolition of the sanctions against the FRY. Equal respect for the interests means respect for direct strategic interests of all the sides involved.

"One cannot accept the right of the Bosnian Croats to a confederation with Croatia and deny this right to the Serbs from Bosnia-Herzegovina, and similar."

The Federal prime minister said it is necessary to emphasize that "the recognition of former Yugoslav republics as new states and of the FRY as the country successor has a different meaning for these republics and for the FRY."

"The FRY as the country predecessor does not need to seek international recognition. However, a recognition of Croatia and Bosnia-Herzegovina as new states can be possible only once a political agreement is reached in these former Yugoslav republics between the directly involved sides," Kontic said.

When asked to name the priority tasks of the federal government on the foreign-political and domestic planes, Prime Minister Kontic said that "the first and most important task is a lasting and just peace around us, and stability in the Balkans." [passage omitted]

"The reintegration of our country in the international community is another priority of our foreign policy. Of particular importance is our full participation in the Organization for Security and Cooperation in Europe, the United Nations, the IMF, the World Bank, the GATT, and other international financial and trade organizations and institutions.

"The FRY will be ready to take on all the responsibilities toward the international organizations from the very moment it is allowed equal participation in their work.

"The restoration and normalization of relations and cooperation with everyone, first with European and then with all other countries of the world, is an important precondition for the further consolidation of the FRY's international position and a speedier social and political development," Kontic explained. [passage omitted]

Montenegro

Prime Minister Reports on Talks About Prevlaka

LD0303175895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1356 GMT 3 Mar 95

[FBIS Translated Excerpt] Podgorica, 3 Mar (TANJUG)—Montenegrin Prime Minister Milo Djukanovic said today that the issue of Prevlaka was the subject of intensive political activity and that the public would be informed about its results next week. Asked about this border dispute with Croatia, Djukanovic told a news conference he was optimistic regarding the outcome of all activities concerning Prevlaka.

He stressed that the problems of Prevlaka and Krajina had to be viewed separately since the issue of Krajina was regulated by the Vance-Owen plan and the problem of Prevlaka by the Cosic-Tudjman agreement. According to Djukanovic, Croatia is becoming increasingly aware of possible negative effects of its decision to end the UNPROFOR [UN Protection Force] mandate.

"I believe that the peacekeeping forces will stay, not just in the Prevlaka area until there is a final border settlement between Croatia and the Federal Republic of Yugoslavia, but also in Krajina," the Montenegrin prime minister said. He reiterated that Montenegro was urging a peaceful and diplomatic solution to the border dispute, "but the current government—as a responsible government—is getting ready for the worst eventuality: war."

Asked to comment on the talks and the agreement on military cooperation between Russia and the FRY [Federal Republic of Yugoslavia], Djukanovic said that he, for understandable reasons, could not say anything specific.

"The signed military agreement is a logical and predictable move on the road to an overall qualitative cooperation between Russia and Yugoslavia," the Montenegrin prime minister said. [passage omitted]

Djukanovic announced that the Republican Government would be reshuffled soon and that several new people would be drafted into the cabinet. He confirmed that the Ministry of Foreign Affairs would continue to exist. He then stressed that Miodrag Lekic, who had been the ambassador in Rome since the beginning of this year, had not yet been formally relieved from his post as Montenegrin foreign minister.

"When Lekic is officially relieved during the government reshuffle, then a new minister will be appointed," Djukanovic said. The Montenegrin prime minister said that "there are no indications" that representatives of the opposition parties could return to the government, to be discussed at all.

Kosovo

Rugova Welcomes Germany's 'Principled Stand'

AU0503172595 Tirana RILINDJA in Albanian 4 Mar 95 pp 1, 3

[B. Haliti report on news conference held by Ibrahim Rugova, president of the Republic of Kosova, in Pristina on 3 March: "Germany Takes a Principled Stand on Kosova"]

[FBIS Translated Text] President Ibrahim Rugova began yesterday's regular news conference by saying that the Albanians are not being brought to their knees, despite the dire economic situation in Kosova. They are organizing their own economic life in various ways. We appeal to Albanian firms, small businesses, academic and cultural institutions, and the university to open their doors to young people, because employing several hundred people in the economy and institutions under our care would mean a great victory, and would also help to stem emigration from Kosova.

In Kosova the Police Even Besiege Towns

Unfortunately, Dr. Rugova said, the repression against the Albanians of Kosova continued this week also. There were more raids on the outskirts of towns. There were 23 police interventions and even blockades of entire towns on the pretext of searches for weapons. These interventions involved arrests and the ransacking of Albanian homes. Blockades were placed last week around the towns of Mitrovice, Vushtrri [Vucitrn], and Rahovec [Orahovac]. Charges were laid against 28 former policemen of Kosova. The harrassment of Albanian political activists, particularly those of the Democratic League of Kosova [LDK], also continued, and call-up papers were sent to Albanians in Kline, Ferizaj [Urosevac], and elsewhere. The purpose of all this is to exert greater pressure on the younger generation now growing up in Kosova, Dr. Rugova said. There were also interventions in Albanian schools, as in the case of Obiliq and elsewhere.

We call for a halt to the repression, and the release of the former policemen and others convicted in Kosova.

The president then said that the campaign for the forcible colonization of Kosova is continuing, with announcements of construction projects of different kinds.

Various Serbian parties such as the Radical Party are calling for the settlement of 200,000 Serbs in Kosova; the purpose of all this is to exert continual pressure on Kosova.

Dr. Rugova said that this is the context in which one must view the announcement that work at Trepca will be resumed with miners from Serbia and other areas. The revival of propaganda about the construction of the Serbian church in the courtyard of the Kosova National Library is part of the same campaign.

We Always Have the World's Attention

Rugova went on to ask European countries, where problems of refugees are concerned, to engage Albanian lawyers and specialists and to cooperate with Kosova's political and state organs and institutions, because we have always offered assistance through the contacts we have.

I say this bearing in mind what happened in Denmark, and with the aim of averting problems of this kind.

Considering the situation, we as ever ask for international protection and the largest possible international presence in Kosova, Dr. Rugova said, adding that Kosova had been at the center of international attention this week. Kosova was made topical by the report of Tadeusz Mazowiecki, the United Nations' special investigator, submitted to the 51st UN Session on Human Rights, and by Mr. Bugajski's [name as published] interview in KOHA, in which he mentioned the idea of a protectorate for Kosova. Meanwhile, Amnesty International organized a demonstration in Geneva protesting the violence against the Albanians of Kosova. We welcomed this step by this international organization, which has organized similar demonstrations in the United States, just as we welcome the visit by German President Herzog to Albania. This was a highly important visit and a contribution to Albanian-German relations. Germany's principled stand that the question of Kosova must be included in an overall settlement, which Mr. Herzog emphasized yet again, is very important for us in Kosova, and we welcome it. We, as Kosova, have very good relations with Germany, President Rugova said, concluding his remarks.

Asked by a journalist what the reasons are for an increased interest in Kosova among the Serbian public, including the Serbian political parties that have recently been increasingly visible in Kosova, President Rugova replied that the Serbian political parties and their propaganda are attempting scare people in Kosova, but they and the Serbian public are disturbed by the fact the cause of Kosova has been affirmed and placed on the agenda by different international institutions.

Asked to comment on a petition now being signed in the Sandzak, and for which signatures will probably by collected in Kosova, asking for the Sandzak Muslim leader Suleiman Ugljanin to be allowed to return, President Rugova said that Ugljanin must be allowed to return to the Sandzak, because he has only used political means. The Muslim community living in Kosova and perhaps others will possibly sign this petition, but I think that it will be enough if the Sandzak itself asks for Ugljanin's return to his birthplace.

A journalist from the Belgrade media asked Rugova to comment on the fact that the leaders of various parties from Serbia have recently been visiting Prishtina, with the aim of creating a national program for the Serbs. How would he comment on the statement by Vojislav Kostunica made here in Prishtina, that the question of Kosova must be settled immediately?

Viewed as a whole, Dr. Ibrahim Rugova said, these are extreme views for settling the question of Kosova, and their purpose is to unsettle the public here. Kostunica's statement too must be seen as a provocation of this kind, and not as help toward finding a solution in this new reality of Kosova.

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